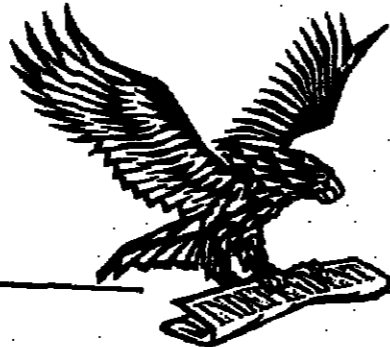
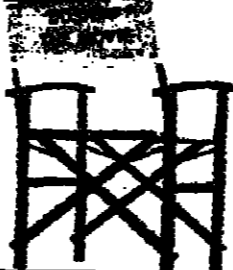




A spider is coming to get you



Now shooting on the streets of Sarajevo



John Walsh: pity poor Irvine Welsh



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Section Two, Living

# THE INDEPENDENT

3,018

THURSDAY 20 JUNE 1996

## After British bravado comes a hasty retreat

By Anthony Bevin, John Lichfield and Katherine Butler

John Major yesterday gave way to the inevitable and, having enjoyed four weeks' defiant bravado, prepared to swing into hasty retreat and accept a Brussels beef package that delivered none of his initial demands.

The scene was set last night for the British Prime Minister to go to Florence for this week-end's European Union summit, drop his confrontational policy of non-co-operation, and swallow a "mad cow disease" plan that included an increased cull of 67,000 cattle.

While Tory backbenchers seemed ready to follow Mr

Major's lead into headlong retreat, there was no certainty last night that all the EU partners would be so amenable. It is still possible that the deal could come unstuck, leaving Mr Major impaled until another emergency summit can be staged, possibly in Dublin.

The latest peace package is based on a cull of cattle born in 1989, but there were indications in Brussels last night that the Germans were leading a backlash, supported by Austria, Holland and Portugal, in favour of pushing that back even further - to 1988. Given the fragility of

Tory support, that could push the deal out of court. But Robin Cook, the shadow Foreign Secretary, said last night: "This is a massive climb-down. The Government has settled for a piece of paper which contains no dates and no guarantees."

Faced with the extra cull, there were some signs of dissent in the Tory ranks. Paul Marland, the MP for Gloucestershire West and chairman of the Tory backbench agriculture committee, said: "We haven't come all this way to be let down. It would be very, very difficult to

get this through the Commons." But the sceptic former Chancellor, Norman Lamont, said it was time for the Tories to "knuckle down" in the run-up to the general election. His Euro-sceptic colleague, Sir Teddy Taylor, said: "We have had this movement from Europe, and the general view is that the British Prime Minister, placed in a difficult position, has a sensible solution."

In the tradition of all EU settlements, all sides should have enough claim a victory at the EU summit in Florence on Friday and Saturday. But, based on the outlines of the deal emerging yesterday, the Prime Minister has achieved nothing which could not have been achieved by patient negotiation. He has made several concessions which will anger Euro-sceptics and farmers alike. His policy of confrontation and non-co-operation with other

EU governments has, in the meantime, caused unquantifiable damage to Britain's standing in Europe.

If all goes as planned, Mr Major will have his "framework" for the gradual, step by step lifting of the export ban on British beef, something which was not on the table when he started his policy of non-co-operation with the EU four weeks ago. He will not be forced publicly to disavow that policy before he gets a deal.

But the Government yesterday agreed to pile up to another 67,000 "at risk" animals on

to the hoof of British cattle (something it had previously refused to do). There will be no specific timetable for the resumption of Britain's beef trade. The embargo on British beef sales to non-EU countries will not be lifted before the rest of the ban.

The beef restrictions will be lifted in stages. The European Commission, three specialist committees and a majority of EU governments will have to be satisfied at each stage that Britain is enforcing its new proposals for eradicating BSE and identifying animals and

meat not exposed to the disease. The first step in easing the ban is unlikely to occur for three months or more, according to EU officials. It may take two years to lift the ban completely.

"He will claim his victory. But we will claim ours" said one German official last night. "We have been begging the British for eight or nine years to come up with a comprehensive, verifiable plan for eradicating BSE and assuring the safety of British beef exports. None of that was on the table three weeks ago. We have it now."



## Parties plan for snap October poll

Political leaders are quietly preparing for the possibility of an October election, called without warning by John Major as MPs returned from their summer break. It would be an extraordinary gamble. Grey-haired opinion remains firmly against it. But the possibility that Downing Street is contemplating such a *coup de theatre* is now being taken seriously.

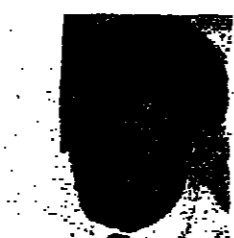
The Prime Minister would have to convince colleagues that the danger of a winter of political decay is worse than the danger of taking on Tony Blair, so far ahead in the polls. Up to now, John Major has seemed firmly committed to a spring 1997 election. But a mixture of bad political news on the horizon and intense frustration about Tory disloyalty may be beginning to change his mind.

One reason being discussed at Westminster is economic. Government borrowing figures make it clear that the Chancellor's room for manoeuvre in the Budget will be very small. The consumer recovery is beginning to feel real, and is likely to continue through the summer. But beyond that, the autumn promise may be greater than the spring reality.

No one can be sure how long the boomlet can be safely maintained. Meanwhile, the other two big political issues - Northern Ireland and the EU - are likelier to produce more bad news for Mr Major over the winter.

Unless the atmosphere in Northern Ireland quickly improves, the Conservatives will come under strong pressure from the Unionists for the re-introduction of internment. Ministers seem likely to refuse, and relations with their only Westminster allies will worsen.

This affects Mr Major's handling of beef and the European question too, since his tiny and crumbling majority is vulnerable to an Opposition alliance in Parliament that includes the Unionists and Tory Euro-rebels. An inglorious, if sensible, armistice in the beef war reinforces the point that anti-European politics is a dangerous game which leaves him open to right-wing ambush. On the other side, it has deeply depressed



Andrew Marr

some senior pro-European ministers, whose loyalty can no longer be counted on.

The final aspects of the October case are more personal. Mr Major remains livid about the antics of right-wingers as they manoeuvre for leadership of the party after the defeat they expect. According to one MP, he used the words "mad cow" while privately railing at Baroness Thatcher's funding of Bill Cash's European Foundation.

Thus far, this year, he has bottled up his frustration and plunged on. But we should remember that, for an allegedly boring man, he has a taste for political drama. Last summer, he stepped down as party leader in order to force a contest with the right. We haven't had the 1996 melodrama yet.

None of this means that he will go this autumn. Mr Major doesn't believe that Labour's poll lead is a true reflection of how it would perform in a real election, but he would need some sign of a pro-Tory trend to take such a gamble.

Yet if he believes that returning to Westminster for a winter session may involve further motions of no confidence, defections and rebellions, a disappointing Budget and another few months of leadership manoeuvring by the right - is it really worth hanging on?

All that is sure is the thought of an October poll has begun to fire Westminster imaginations. Tory conversations are already advanced about whether or not they would be better to cancel the party conference season by firing the starting-gun in late September, or use their own conference as a campaign springboard. The joke has been it all depends on England winning Euro 96. What has changed is that is no longer entirely a joke.



## All cars to get pollution warning lights

NICHOLAS SCHOON  
Environment Correspondent

All new vehicles will have to have a light on their dashboard to warn drivers when their cars are producing too much pollution.

The warning system, which will be compulsory by 2000 and will add between £200 and £400 to the price of new cars, has been agreed by the European Commission.

The aim is to cut the main types of air pollutant from vehicles by 60 to 70 per cent over the next 15 years, even while the total number of cars, buses and lorries in the European Union continues to rise.

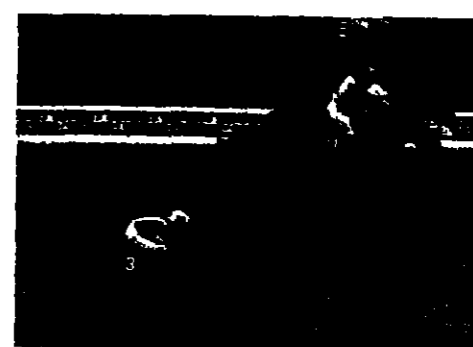
Cars will need equipment which senses whether emissions are within legal limits by continuously checking the engine and catalytic converter.

If the warning light glows, the

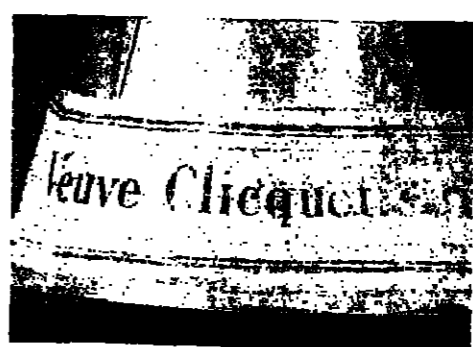
driver will be under a legal obligation to report the problem - although the nature of the legislation will be left to the individual EU states.

The package of proposals also includes phasing out leaded petrol by 2000 and changes in the composition of petrol and diesel to make them less "cleaner". It was agreed this week after more than a year of negotiations with the oil and vehicle-manufacturing companies, and months of argument within the commission itself.

Britain's Society of Motor Manufacturers and Traders gave a grudging approval for the package, having played a part in negotiating it. "The commission has set targets which are rather challenging, and meeting them is going to be expensive," said its head of policy, Mike Hollingsworth.



WINNER BY A HEAD



WINNER BY A NECK

ROYAL ASCOT	18-21 June
2ND CROWNED TEST MATCH v INDIA, LORD'S	20-21 June
GREENSTOWN CUP	20 June-14 July
WIMBLEDON TENNIS CHAMPIONSHIPS	24 June-7 July
ROUND THE ISLAND RACE, Isle of Wight	29 June
VEUVE CLICQUOT CHAMPIONSHIP, GOSWORTHY PARK	29 June-21 July
HENLEY ROYAL REGATTA	3-7 July
HAMPTON COURT PALACE INTERNATIONAL FLAMENCO SHOW	9-14 July
BRANDON & HEDDERLEY CUP FINAL, LORD'S	15 July
GLORIOUS GOSWORTHY	30 July-5 August



Veuve Clicquot

CHAMPAGNE OF THE SEASON

Is it a Dutch football fan? Is it a Conservative Euro-sceptic? No, it is a flying monk: 25 soldier monks from the Chinese monastery will be performing their art of kung fu at London's Royal Albert Hall tonight and tomorrow. The shows, which follow four nationwide, feature an iron bar being broken over a monk's head. Photograph: Linus Moran

**QUICKLY**  
**Accolade for Block**  
Robert Block yesterday won the Amnesty International press award for a series of articles for the *Independent* on the massacre at Srebrenica. It is the third press award this year for coverage of foreign affairs by the *Independent*.



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# United crackdown on the IRA

Leaders agree to step up pressure on Sinn Fein to persuade terrorists to resume the ceasefire

COLIN BROWN and DAVID McKITTRICK

A security crackdown, which is one step away from internment of IRA terrorists, was being considered by ministers to disrupt the planning of more action like the bombing in Manchester, senior Conservative sources said last night.

The British Government has decided to focus more on security following the rejection of the peace process by the IRA. Ministers have asked the security forces to use existing anti-terrorism laws to harass known IRA members.

John Major and his Irish counterpart, John Bruton, agreed on a joint approach to Sinn Fein in their first talks since Saturday's events, which took place on the telephone and lasted 20 minutes.

The two Prime Ministers agreed to keep links open with Sinn Fein, but to increase the pressure on its leaders to reintroduce the ceasefire.

Dublin has told London that it would not support the reintroduction of internment, and

British ministers believe it would be counter-productive. But ministerial sources said the Royal Ulster Constabulary, which is mounting more checks in Northern Ireland, has been told to intensify its action against the IRA.

Ministers are keen to see known IRA members arrested under the Prevention of Terrorism Act, which allows suspects to be detained for up to seven days without charge. There could also be more IRA suspects arrested and charged under the Emergency Provisions Act - enabling the security forces to hold alleged terrorists in custody until their trial.

Irish ministers are also likely to be asked to step up the improved cross-border co-operation on security, with more hot pursuit across the border and more helicopter operations.

Lord Mason, Labour's former hardline Northern Ireland Secretary, last night said that internment should have been reintroduced. "You could have done internment after the Manchester bombing, but it gets



Breakthrough: One of the potential bombing suspects and an image of the van

more difficult as each day goes by. They should take out 30 or 40 suspects for one week. That will disrupt their planning."

Political talks continued at a snail's pace in Belfast yesterday, with the parties and the British and Irish governments trawling through procedural issues at Castle Buildings, Stormont.

Dr John Alderdice, leader of the middle-of-the-road Alliance Party, told reporters "Don't expect early results from this, this is going to be a difficult, slow process. We are starting off with a depth of polarisation, a distance between the Ulster



Unionist Party and the SDLP, and of course even greater distances from those on the extremes. It is a depth of polarisation that I've never seen politically before."

Meanwhile, police hunting the Manchester bombers yesterday issued descriptions of the two suspected terrorists who parked the van packed with explosives in the city centre on Saturday morning.

They also issued an electronically generated image of the man who bought the van in Peterborough the previous day for £2,000. With over 60 officers

in Manchester now involved in the hunt, along with specialist anti-terrorist and Special Branch officers, early suspicions that the bombing involved an IRA team operation seem to have been confirmed.

The descriptions are based on accounts from witnesses who noticed the van and its occupants on Saturday morning, and from a Peterborough taxi driver, who on Friday was handed £2,000 in a brown envelope by a man with an Irish accent. The man who handed the cash envelope over on Friday was described as between 35 and 40,

5ft 8in tall, with a heavy, somewhat overweight, build. He had a round clean shaven face and light brown hair. He was wearing a pale blue buttoned shirt, long sleeves fastened at the wrist and dark olive coloured trousers.

The two men who drove the orange and white van of Saturday, which was loaded with 3,300lb of a home made fertiliser-based explosive with Semtex primer on a timing device, were also described. The driver is believed to be white male, aged 20-30, with a slim build and between 5ft 8in and 5ft 10in tall. He was wearing a navy blue hooded sweatshirt under a dark blue kagool jacket. He was wearing sunglasses and the hood was covering his head. The other man in the van was described as white male, aged 30-40, of medium build and taller at around 6ft. He was also wearing a grey coloured hooded sweatshirt and dark blue kagool. Like the other man he was wearing sunglasses with the hood pulled over his head. Witnesses described him as having a long nose.

Police are hoping the descriptions along with a video compilation of the van will help jog the memory of potential witnesses.

## SIGNIFICANT SHORTS

The Netherlands' liberal policy on drugs is having a 'disastrous' effect on Britain by encouraging large scale trafficking of substances such as ecstasy and amphetamines, Tom Sackville, the Home Office minister, told a conference of police chiefs yesterday. In a sharply worded speech, Mr Sackville said the Netherlands was now the source of 90 per cent of all Ecstasy and amphetamines seized in Britain and called on the Dutch government to become involved in greater co-operation. "The open sale of cannabis in 'coffee shops' is, in the view of this Government, highly damaging to our interests," he said. But West Yorkshire Chief Constable Keith Hellawell, who is chairing the conference, added: "Even the Dutch take a very strong line against dealers and traffickers." *Jason Bennett*

Academics at the London School of Economics yesterday agreed in principle to charge students top-up fees in response to Government spending cuts in higher education. The decision, by a four to one majority of the school's academic board, will be put to the court of governors next week.

If it backs the proposal, the LSE believes it will be the first higher education institution to do so. Several universities have said they will consider top-up fees if the Government does not reverse planned spending cuts. John Askworth, the school's director, said: "As an internationally renowned centre of academic excellence we must not allow our reputation for high standards and quality to be damaged by the reduction of state funding." *Judith Judd*

Kevin Maxwell lost a High Court battle over which judge should conduct his second trial. He said his fall in the justice system had been "shaken" by the court's decision to uphold a refusal by the Lord Chancellor to appoint Lord Justice Phillips, the judge who presided at his first trial, when he was cleared of allegations of dishonesty.

His lawyers had contended that Lord Justice Phillips, who was appointed an appeal judge during the 131-day first Maxwell trial, was uniquely qualified to deal with the complex arguments and issues, thus avoiding delay and public expense. Lord Justice Henry and Mr Justice Sachs said Lord Mackay was entitled to conclude that Lord Justice Phillips was most needed in the Court of Appeal.

A painting by I.S. Lowry set an auction record for the artist's work yesterday by fetching £282,000 - several times its estimate. The oil painting, entitled *A Cricket Match*, was bought by a British couple who fought off four telephone bidders at Sotheby's in central London. The unnamed buyers told Sotheby's they had always wanted to own a Lowry and this was the best they had ever seen at auction. It shows a game of cricket in the back streets of 1930s Manchester.

Christies, meanwhile, announced it would auction a previously unrecorded part of a sonata by Mozart. It is expected to make about £30,000. The manuscript is contemporary with Mozart's opera *Die Entführung aus dem Serail* and it is possible that it intended to include it in the opera, first performed in 1782.

Alan Howarth, the MP who dramatically defected from the Tories last year, yesterday submitted his name for selection as the Labour candidate for the Manchester seat of Wythenshawe and Sale East at the next general election. The new constituency can be regarded as safe Labour territory. While Mr Howarth's chances of landing the nomination are good, he will probably have to contend with at least 20 others.

His defection last October threw the Conservative Party conference into turmoil. The former MP for Stratford on Avon has already been linked with other safe Labour seats whose incumbent MPs are retiring at the next election.

A High Court judge reserved judgment yesterday on whether construction of the A34 Newbury bypass should be halted to give protesters the opportunity to bring a legal challenge over the future of a rare snail which lives in areas on or near the proposed route.

In a two-day hearing, the Government was accused of "glaring irrationality" in failing properly to protect the snail's habitat from the bulldozers. Environmental groups and residents are seeking to block the decision to award Costain Civil Engineering the contract for the £74m bypass, which has immediate effect, without properly considering the needs of Desmoulin's whorl snail.

Composer Vivian Ellis, who wrote the hit song "Spread A Little Happiness" died yesterday, after a short illness, aged 92. He is best known for the song, which was revived by Sting for the 1982 film version of Dennis Potter's *Brimstone and Treacle*.

Ellis, who was awarded the CBE in 1990, began his musical career as a concert pianist. From 1929 he composed several successful musicals including *Bless The Bride*, recently revived at Sadler's Wells in London.

He also wrote novels, humorous books and works for children. In 1973 he received a special Novello Award for "outstanding services" to British music and 10 years later picked up a second for lifetime achievement.

## Tube drivers back one-day strikes

BARRIE CLEMENT Labour Editor

London Underground train drivers are to stage four one-day strikes starting next Thursday in a dispute over pay and working hours.

The stoppages, also scheduled for 3, 8 and 16 July are expected to mean a virtual shutdown of the service and train drivers' leaders warned of more walkouts to come.

While Aslef, the drivers' union, has avoided disrupting travel during the Euro 96 football competition, the first two strikes will coincide with the fortnight of lawn tennis championships at Wimbledon in south-west London.

Drivers voted 1,060 in favour of action with only 187 against. Lew Adams, general secretary of Aslef, accused management of reneging on an agreement to cut the working week from 38.5 to 37.5 hours by trying to attach productivity strings to the deal.

Management has offered a 3.2 per cent pay increase as part of the package and calculates that the proposals could lead to drivers earning up to £25,436 a year.

A spokesman for London Underground said: "Strikes will not help anyone - our customers, our staff or our business." Talks are due to resume on Monday.

In a similar dispute the RMT transport union, with the largest membership on the Tube system, is also expected to announce a large vote in favour of 24-hour strikes on 10 July.

The first stoppage on London Underground will coincide with a threatened national 24-hour walkout at the Royal Mail which begins at noon next Thursday.

The first day-long postal stoppage in protest at a pay and productivity package is due to begin with the last shifts tonight.



Last innings: Dickie Bird, the world's most famous umpire, will walk through the Long Room and down the pavilion steps for the last time in today's second Cornhill Test at Lord's, central London, before retiring after his 66th Test match

Photograph: Tony Buckingham

## Failure to trace cattle causes alarm

SARAH HELM Luxembourg

British authorities have failed to trace the herds of origin of 11,000 cattle infected with bovine spongiform encephalopathy (BSE), the European Commission revealed yesterday, fuelling new fears that infected beef is still entering the human food chain.

The failure to trace the history of infected cattle raises serious questions about government claims that "British beef is safe to eat" and may raise new concerns about ending the ban at the Florence summit on Friday.

Only by establishing where an infected animal was born and bred can veterinary experts identify "at-risk herds", which Britain accepts must be singled out for slaughter to ensure that no suspect beef is consumed. So far about 35,000 herds have

been identified as "at risk", partly by tracing the histories of cattle among the 160,000 known to be infected. If the histories of 11,000 have not been traced, commission experts calculated yesterday that statistically a further 2,500 at-risk herds may have so far escaped detection.

The latest evidence of Britain's poor eradication methods emerged at the European Court of Justice in Luxembourg, where Sir Nicholas Lyell, the Attorney-General, yesterday launched Britain's legal challenge to the worldwide ban.

Sir Nicholas argued that the ban was illegal and "wholly wrong". He insisted that the court should suspend the ban immediately, pending a full hearing of the case, because Britain agriculture was suffering "irreparable damage" and

the risk to public health had already been entirely removed by eradication efforts. A decision is expected within a few days.

During the hearing, lawyers for the European Commission repeatedly questioned the efficiency of Britain's BSE-eradication plan, which will be on the agenda of heads of government tomorrow in Florence. They argued that Britain's failure to set up adequate cattle tracing systems was one of many causes for continuing fears about the safety of British beef.

James Flett, for the commission, told the 15 judges that 11,000 infected cattle had never been traced back to their "cohort" - or contemporaries in their herd of origin. Mr Flett said it was essential to identify the infected animal's cohort, so that all cattle in the same herd at the same time could be

traced. If one animal contracted BSE, believed to be due to eating suspect feed, others in the herd must be deemed "at risk".

The figure of 11,000 untraced cattle, which, according to commission sources was originally given by British officials, was not disputed yesterday by government lawyers.

Although Britain had promised to set up better tracing systems and computerised networks of cattle, past failures gave little ground for reassurance, Mr Flett asserted.

"Suppose I find myself in the British countryside and I see three cows," Leif Sevón, the Finnish judge, asked. "Would it be possible for me to find out which animal might be infected and which is not? Is there such a system in the UK so one can trace the background?"

Sir Nicholas answered: "To a


substantial degree yes. But it depends. Some are easier to trace than others. I think to say that every cow can be traced would be going too far."

The broad thrust of the Government's legal challenge to the beef ban centred yesterday on claims that the commission had imposed it as a result of consumer concern and to protect European markets, which Sir Nicholas argued it had no power to do. "A health scare is no basis for the ban," he said.

The Commission argued that it was entirely justified to take into account consumer concerns about public health, to protect the single market. It was "wishful thinking" for Britain to believe that by lifting the ban consumers would regain confidence in beef. Rather, Mr Flett said, there could be a mass consumer boycott of beef.

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صكنا من الامل

# England: A rubbish drunken football team\*

\*At least that's what they said until yesterday

STEVE BOGGAN

There was a spring in the step of Englishmen and women everywhere yesterday after the success of their no-hope, drunken, burnt-out football team.

While generous amounts of humble pie were guzzled by the pundits, the rest of the country was enjoying a thumping great win over Holland and the prospect of more to come.

For weeks, during drunken binges in Hong Kong and in-flight television-smashing exploits, we had been drilled to expect the worst. "A Bunch of Has-Beens Show up a Bunch of Wannabes" roared the *Daily Mail* after England's 1-0 victory over a drab Hong Kong team in the run-up to Euro 96.

Then there were the pictures of Paul Gascoigne, Teddy Sheringham and Steve McManaman the worse for drink, their shirts torn, in a Hong Kong bar. Worse still were pictures of Gascoigne and Sheringham



Before and after: Contrasting headlines on stories concerning the England football team in the *Daily Mail* (left) and the *Daily Mirror* (right)

The best since 1966



the most difficult task of justifying what he has written is the *Mail's* Jeff Powell. He dared say what other pundits may have been thinking after the Switzerland match - that Gascoigne was unfit and should be dropped.

Under the headline "Gazza must Go . . . the Gaffer dries up to leave coach Venables no

option", he wrote: "England must sling out Paul Gascoigne on his earring. They must devise a way to play without this playboy relic of what once might have been a great playmaker."

"Gazza, perhaps inevitably, wore the broadest smile of all . . . This, not the isolated flash of goal-scoring genius against Scotland, was his full match redemption."

"John Sadler warns Tel's Euro flops" after the Switzerland game, wrote: "I have been saying for the past two years or more that we would not know what kind of team Venables had created until we saw them in genuine competition."

result, but the manner in which it was achieved. The *Sun* led the way with banner headlines and pictures of the infamous drinking binge. It and the *Star* shared the headline "Out of Gaz" after the Swiss game.

Yesterday, however, was a different story. "Our Finest Hour" declared the *Sun*. "And now they've GOT to believe it!" wrote Sadler. "England DO have a team capable of competing with anybody. They DO have the players who can win this tournament."

The *Daily Mirror* has already walked back its headline. After victory over the Scots last Saturday, and in the wake of a blistering editorial referring to "sporting morons", it ran a front page "apology" to Gascoigne on Monday.

Away from the vagaries of punditry, the good behaviour of fans continued. Assistant Chief Constable Malcolm George, the man responsible for policing at Euro 96, said: "I don't want to tempt fate and we cer-

tainly aren't relaxing yet, but with 20 matches out of 31 over, we're delighted."

The reason for that, a new kind of international camaraderie, was in evidence during a brief, drunken encounter in the West End of London after the Holland match on Tuesday. Sitting on a kerb were three supporters from England, Holland and Scotland with their arms around each other.

These were the nationalists the police had worried about, and yet here they were drunken, happy and in unison. The Englishman was apologising to the Dutchman for the 4-1 defeat, and the latter was in turn apologising to the Scotsman for taking their place in the quarter-finals.

It sounded like a joke and, with more than a week of football to go, it may yet have a violent punchline. But the scene was indicative of the peaceful nature in which the championships have passed off so far.

Leading article, page 15

Children's TV: BBC chiefs sit uncomfortably as Corporation gets a drubbing for its patronising attitude towards young viewers

## X-Files takes over world of Andy Pandy

MARIANNE MACDONALD  
Media Correspondent

Once upon a time - about 50 years ago - the BBC began making children's programmes. In those days parents were attentive and children were sitting comfortably and did as they were told.

Children watched with mother, clapped to Andy Pandy, and the BBC calmly went off air for an hour-and-a-half in the evening to allow parents to put their children to bed.

But today, in the fiercely competitive market for children's programmes, the BBC is under increasing pressure. It asked yesterday, in a rare public meeting with experts, teachers, psychologists and children, whether it was getting it right. The answer seemed to be a resounding no. Most damning was the verdict from the children themselves who had been invited from across the country to give their views.

In 1956, children could watch less than 500 hours of children's television per year, now, with the advent of cable and satellite, there are five dedicated channels for children and a total of 20,000 hours transmitted a year.

The BBC may have replaced Valerie Singleton's sensible blouse and skirt on *Blue Peter* with the Katy Hill's lycra outfits but the children believe they are being patronised, and they told the BBC's mandarins so.

There should be more teenage presenters. Children

should be offered facilities to make their own shows and more programmes should be made for teenagers. Children's drama was unrealistic, and Northern Ireland and Wales were under-represented.

One teenage boy summed up their views. "I wish that the presenters of children's programmes would treat me more like a young adult and less like a five year old," he said.

These children, aged between nine and 15 were as likely to watch the more adult programmes such as *Top of the Pops*, *Absolutely Fabulous*, and *X-Files* - which they said were in some cases better and funnier and on at times which suited them - as children's television.

When once there were the *Wombles*, this year's top ten programmes among four to 15-year-olds include *Gladiators*, *Casualty*, *The National Lottery Live*, *EastEnders* and *Coronation Street*.

The adults echoed the children in their criticism of the BBC's ability to take younger viewers seriously. George Varnava, president of the National Association of Head Teachers, said he had been struck by the "patronising" tone of children's television. "There's no doubt that in many respects we underestimate children."

Dr Eric Sigman, a consultant psychologist, said the BBC should use more older presenters. "There's an awful lot of slim, good looking young people who have arrived on television, and a distinct lack of people who are middle aged.



Then and now: Valerie Singleton's sensible skirts (above) have given way to Katy Hill's lycra outfits on *Blue Peter*. Top: Sixties favourites *Bill and Ben*, the flowerpot men, gave way to the *Wombles* (centre left), which have been replaced by *The Demon Headmaster* (centre right). Now Nineties children are much more likely to watch the *X-Files* (above)



We are creating a division for children, so that they may not be able to relate to people older than them and will use a distorted image as their reference." But Eric Rowan, ex-

ecutive producer of factual programmes for BBC children's TV, was quick to defend his department. "There's clearly a tendency for us to communicate with children on their own lev-

el and if that means not patronising them, the last thing we want is a lot of old and ancient people appearing to do that."

Presenters such as Katy Hill, 25, and Andi Peters, who presented the last series of *Live and Kicking*, were young. "But for many, many years Roy Castle presented *Record Breakers* and Tony Hart, who is elderly, did *Harriet*. Libby Purves, a jour-

nalist and broadcaster warned it would not be appropriate to return to the simplistic days of *Rag Tag and Bobtail*, *The Woodentops* and the old-look *Blue Peter*. She had recently tried out the

1950s favourites on a group of three to six year-olds. "I could not keep them in the room. I had to lean on the door. It was the tone in which they were presented," she said.

## Alcohol before exercise 'cuts heart strain'

LIZ HUNT  
Health Editor

A pint of beer, a shot of whisky, or a glass of wine taken before exercise could reduce the risk of heart disease, according to new research, which suggests that stopping at the pub on the way to the gym may be the key to good health.

A study has found that drinking a moderate amount of alcohol before a strenuous workout reduces the levels of clotting substances in the blood by at least 15 per cent.

Dr Mamoud El-Sayed, a Reader in Sports Science at John Moores University in Liverpool, who conducted the study, said: "Perhaps people should rethink their trips to the gym and go for a drink before rather than after, as most of them do."

Fifty healthy volunteers took part in the two-year study. Blood samples were taken while they were resting; after they had drunk a "moderate" amount of vodka, and after they had worked out vigorously on an exercise bike for 30 minutes at 65 per cent of their capacity, and for five minutes flat out.

A control group drank water or orange juice instead of alcohol.

Analysis of the blood samples

showed that in the alcohol group there was a 15 per cent decrease in fibrinogen (a blood clotting agent) levels, compared with the non-alcohol group.

Dr El-Sayed said: "Less fibrinogen means the blood is less viscous; alcohol appears to have the effect of thinning the blood and so relieving the burden on the heart . . ."

"This is a very exciting discovery which has huge implications for people worried about heart disease."

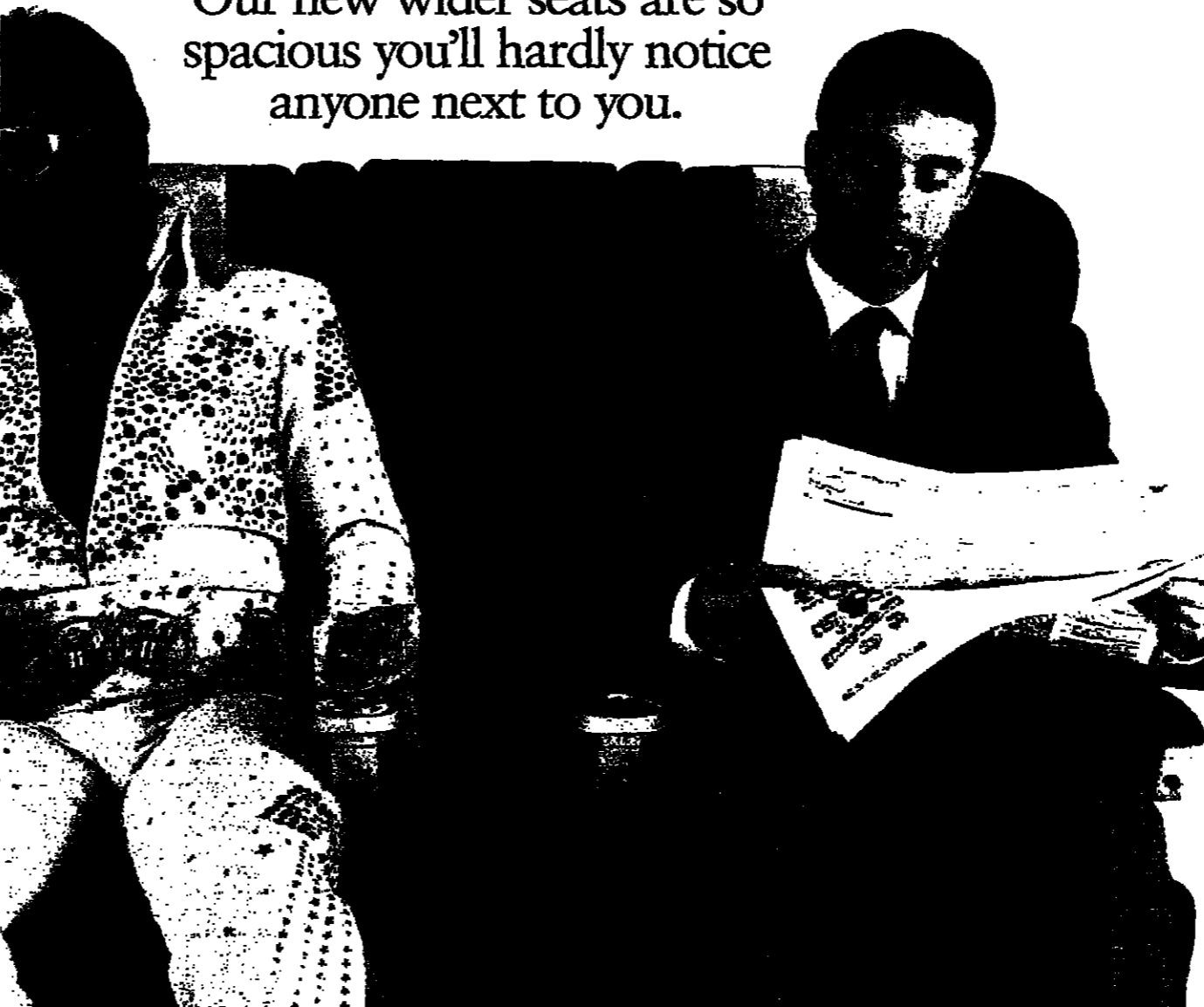
"It proves that alcohol has a role to play in keeping people healthy."

Previous research has confirmed that alcohol has a "U-shaped" relationship with cardiovascular health: too little or too much is bad for you but a moderate amount has a positive effect.

Scientists believed the beneficial effects were restricted to red wine, but more recent findings suggest that it is the alcohol content which is important, regardless of how it is delivered in wine, spirits, or beer.

Dr El-Sayed said that the research, which he will present at an international conference in Finland at the weekend, can be extrapolated to a range of beverages, equivalent to a pint to a pint and a half of beer.

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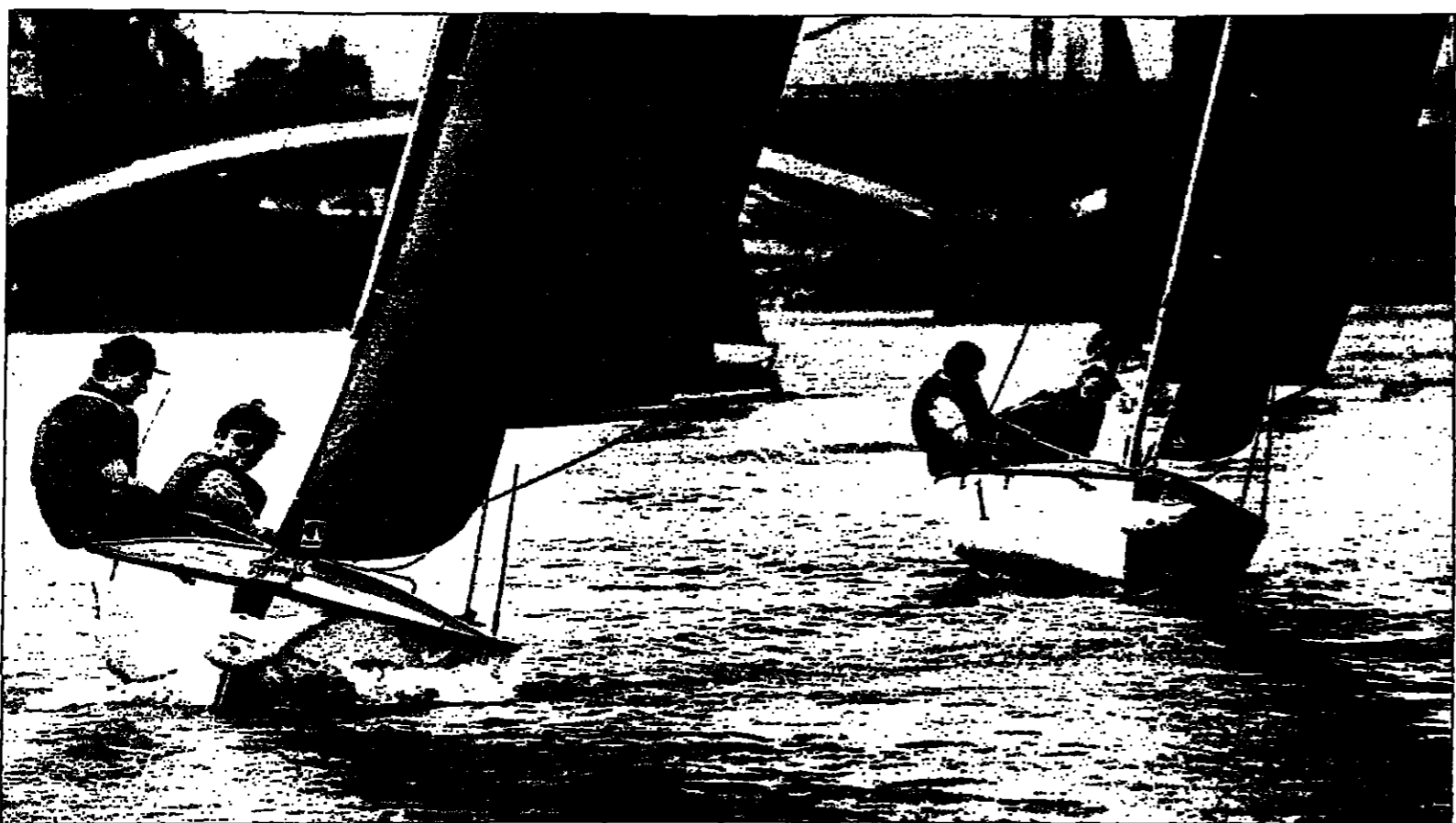
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Members of the Lords and Commons yesterday competing in their annual yacht race on the Thames

Photograph: Tom Pilton

## Goldsmith finds an unlikely ally in Labour rebel

JOHN RENTON  
Political Correspondent

Peter Shore, a former Labour Cabinet minister, yesterday backed the threat by Sir James Goldsmith to put up candidates at the next election against his own party.

Sir James has threatened to challenge both Labour and Tory MPs who fail to support a referendum on Britain's membership of the European Union - although so far it is the Tories who have felt the heat most.

Mr Shore, Labour's most senior Euro-sceptic, is standing down at the election, but his support for a rival political party will irritate Labour leaders and is a breach of party rules. Last week a 78-strong Tory

rebellion in the Commons over Sir James's demand for a "full" referendum was overshadowed by a row over his financial support for rebel leader Bill Cash. Mr Cash was forced to renounce future contributions from Goldsmith funds.

Sir James launches an attempt to woo Labour's Euro-sceptics today, which could spell trouble for Tony Blair of the kind which John Major has suffered at the hands of a man who has declared his willingness to spend £20m promoting his views in the run-up to the election.

Sir James has given a strategically-timed interview to the left-wing, Euro-sceptic *Tribune* newspaper today. In it he says that he is not in favour of Britain pulling out of the EU, but that Britain should try to "split Europe" in order to block a "federal state". Withdrawal

would be a bad thing for Britain because it would then be "an island off a German-united continent", but Britain should "insist on a Europe of nations and go in there and fight for it. It has to either convert or split Europe", he says.

He insists that his single-issue Referendum Party "is neither of the left nor the right. It

simply exists for that stated purpose. And if the left is interested in some of my ideas, that is all well and good".

Mr Shore, chairman of the Labour Euro-Safeguards Campaign, said: "It is very important that the British people should have a referendum and the influence of the Referendum Party is the pressure they are putting on the political parties." Of his implied support for candidates other than official Labour candidates, he said: "I'm not recommending such people, but I think it is a very good idea that the people of this country have a referendum."

Sir James's Referendum Party, which demands a referendum on more than just a single European currency, has taken a series of full-page newspaper advertisements recently, has employed a polling company to carry out opinion research and is planning a full-scale party conference in Brighton in October. A spokesman for Sir James said he might offer financial support to Labour Euro-sceptics but Mr Shore said the Euro-Safeguards Campaign had "emphatically not" been offered or accepted funds from Sir James, and nor would it.

## Howard's way on crime: Police, Camera, Action

Last month, some judge or other excited the chattering classes by attacking the Home Secretary in the House of Lords.

This chap (Thylor? Naylor? Something like that) used his retirement speech to suggest that Michael Howard's new proposals for sentencing (three strikes and you're out, life for burglars, the cat for car-thieves) hadn't been properly thought through. Anyway, the usual big fuss ensued and the Government decided to clear the air - you, know, take the criticisms head on - with a debate.

But three or four weeks elapsed and he has had a lot on his mind, so it is hard to blame the Home Secretary for not actually referring to the Lord Chief Justice's critique at all in his excellent speech yesterday. Someone who has the awesome responsibility of framing laws to protect the law-abiding, while ensuring the rule of justice, cannot be expected to deal with every complaint or pedantic legalism raised by the judiciary.

And while the accusations that the Government is acting on the flimsiest of evidence, that it is only five years since the last major review of sentencing policy, and that injustices will be inevitable, are not unimportant, other matters were simply more deserving of Mr Howard's time.

Like the long and hilarious personal attack on Jack Straw which succeeded Mr Howard's necessarily detailed account of the record fall in crime during his tenure of the Home Office. Regrettably, I can only offer a flavour of this pungent passage, which described the shadow Home Secretary ("a bottom-of-the-market plagiarist") in his three stages of manic depression: first casting around for tough-looking ideas; next, grabbing at the first ones he came across, and finally, living to regret them.

Behind him delighted backbenchers contrasted this with their own champion who, famously, never regrets anything.



DAVID AARONOVITCH

"The Home Secretary should remember that he is not addressing a Conservative Party Conference", Labour MP Donald Anderson complained to the Speaker. "I am sure that the Home Secretary knows exactly where he is", said Betty, offering a rare compliment to a minister she clearly admires.

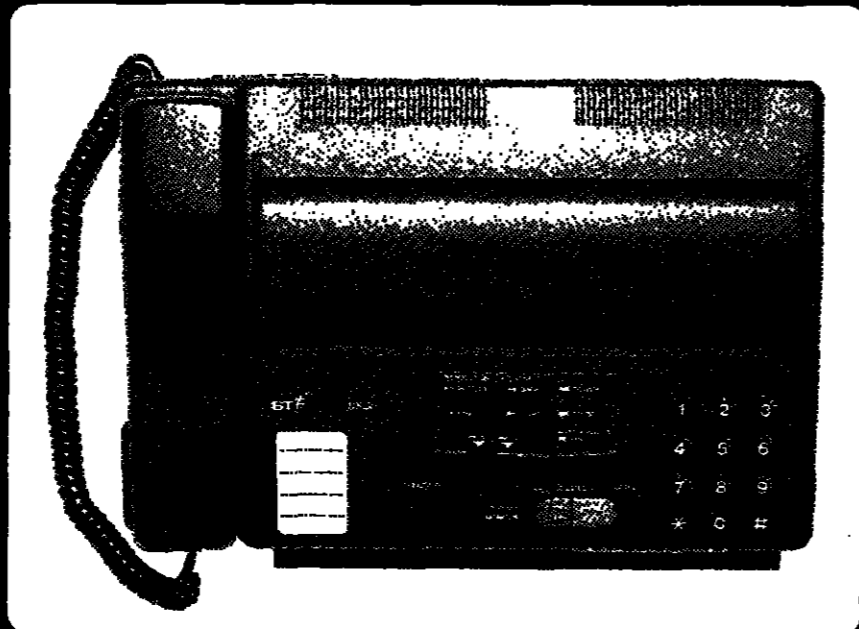
But the ever-smiling Mr Howard did not have it all his own way. His assault on Mr Straw's advocacy of curfews for 10-year-olds foundered slightly when it was revealed that the president of the Police Chief Inspector's Association, Brian Mackenzie, had declared himself "delighted" with the proposal.

This was a blow. In the modern debate about crime and punishment, the motto of both sides is "Police, Camera, Action" - find out what the police want, make sure the cameras are there, and announce some action. If Brian Mackenzie is for it, Mr Howard must have been thinking, how can I be against?

As the Home Secretary came towards the end of his speech Plaid Cymru MP Eifryn Llwyd, made a last attempt to remind him of Lord Thylor's objections. He was pushed aside by a democratic politician who believes in government responding to popular feeling.

The strength of this belief was indicated in his rebuttal of the Tylorian views of the Liberal Democrat Alex Carlile. "I warn the honourable gentleman", said Mr Howard, "that his parliamentary candidates will regret his remarks even if he doesn't." So there you are - Police, Camera, Action ... Election.

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# Major makes a gritty riposte

After Tony Blair's plea for a 'constructive relationship' in Bonn on Tuesday, the Prime Minister celebrates British differences with Europe in a speech to the City, writes **Anthony Bevin**, Political Editor. Outlined below, are their contrasting views on the crucial issues



Britain was yesterday presented by John Major as the "grit in the European oyster", but in a warning to hardline dissidents within the Tory ranks he said there was no question of a pull-out: "It has never been Britain's way to cut and run."

The Prime Minister's speech on "The Future Of Europe" to an audience in the City could not have been more different in tone to the constructive and co-operative effort delivered by Tony Blair, the Labour leader, in Bonn on Tuesday.

While Mr Blair evidently preferred to work with the grain - without the sell-out depicted by the Tories - the Prime Minister chose instead to glorify British grit and celebrate the difference between the British and everyone else in the European Union.

He used the word, "different" seven times - three times in one sentence - and elevated "diversity" into a fully-fledged principle. Mr Major said: "Europe is not always comfortable for Britain. Our history is different from our partners and

so, often, are our instincts. Of course, we have much more in common than divides us."

"But we are instinctive free traders. Not all of our partners share those same instincts. Our 20th Century experiences are different, and so are many of our attitudes."

"Our politics are more black and white, more adversarial, more blood and thunder. So we are sometimes uneasy partners. Often, Britain is the grit in the European oyster. Thus mutual frustration is at a high level at the moment. But none of this alters the fact that Britain's place is in Europe."

The apparent lack of enthusiasm that pervaded Mr Major's speech - reflecting the increasingly Eurosceptic mood within the ranks of his own party - was particularly evident in the way that he dealt with the question of British withdrawal.

He said: "While I have made clear that I will not allow Britain to be absorbed into centralised federal structures, neither do I

contemplate turning our back on Europe... Our power of veto means we cannot be forced where we do not want to go. So of course Britain will stay in Europe, economic reality and self-interest demands that we do."

The question was not whether Britain was part of Europe, but what sort of Europe Britain was part of. It was a question of how relationships were developed that Britain could live with comfortably.

Diversity had to be accommodated. "That is why I have consistently said that we will not accept the pressure to develop Europe as a single train, with all the carriages moving at the same speed... A Europe of Nations cannot be pre-determined. And if there is no pre-set destination, there are no trains to catch - or to miss."

Against that background, Mr Major said that two prime items were on his agenda for the forthcoming inter-governmental conference on the future course of the EU - the backdoor use of health and safety mechanisms to impose

Letters, page 15

WHAT MAJOR SAID		WHAT BLAIR SAID	
<b>OUR PLACE IN EUROPE</b>	<b>CHALLENGE FROM THE EAST</b>	<b>OUR PLACE IN EUROPE</b>	<b>CHALLENGE FROM THE EAST</b>
"Our politics are more black and white, more adversarial, more blood and thunder. So we are sometimes uneasy partners. Often Britain is the grit in the European oyster. This mutual frustration is at a high level at the moment. But none of this alters the fact that Britain's place is in Europe."	"In the 1970s and 1980s, the emergence of Japan as a major force in world markets caused substantial dislocation in many Western economies... Since then we have seen the dramatic rise of the economic power of South-east Asia. But the impact of even those changes will be dwarfed when compared with the implications of a similar emergence... by India, or China, or - more likely - both."	"I have no doubt at all that Britain's future lies in the European Union and at the centre of its events, not on the sidelines... constructive and engaged, not simply because the interests of Europe demand it, but above all because the interests of Britain demand it."	"The world is undergoing an economic revolution. In a generation's time Europe will be overtaken by Asia unless it adopts an entirely new economic approach - open markets plus education and welfare reform."
<b>IN OR OUT?</b>	<b>THE JOB MARKET</b>	<b>IN OR OUT?</b>	<b>THE JOB MARKET</b>
"While I have made it clear that I will not allow Britain to be absorbed into centralised federal structures, neither do I contemplate turning our back on Europe... It has never been Britain's way to cut and run. There is a big prize to win - for us and for Europe."	"A shared commitment to the building of an open, outward-looking, customer-driven economy in Europe is the essential foundation on which the European Union is built... Over the years ahead, we must turn Europe towards a European enterprise model, with minimum burdens on business and more flexible labour markets."	"There are few people, outside of the Conservative Party, who genuinely think it sensible for Britain to withdraw from the European Union."	"We need the open markets, but we will never compete on low wages or skills... The message of the past 200 years is that the greater the freedom of trade between nations and the wider the geographical extent of trade, the more prosperous the world has become."
<b>COMPETITIVENESS</b>	<b>QUALIFIED MAJORITY VOTING</b>	<b>COMPETITIVENESS</b>	<b>QUALIFIED MAJORITY VOTING</b>
"Unless it stays competitive, Europe is in danger of losing its industrial base. Not in our time perhaps. But in the future. We might eat off the fat of the land, but the lean times would surely follow."	"We see no case for further extensions of qualified majority voting. In areas of significant national interest, the Community must work by finding solutions which can be accepted by finding unanimity."	"The test is how to advance modern economic competitiveness in an open and cohesive society. For advanced economies, that means high-quality, high-value-added goods and services; and a society not riven by social inequality and exclusion."	"It is necessary to consider an extension of qualified majority voting though not in certain areas of vital national importance such as defence, immigration and treaty change. And such an extension would be more justifiable if there were more weighing of QMV to give larger representation to larger countries."
<b>JOB SECURITY</b>		<b>JOB SECURITY</b>	
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## Job checks 'risk' for offenders

**HEATHER MILLS**  
Home Affairs Correspondent

Up to five million offenders - past and present - may find themselves seriously hampered in the search for a job as a result of government proposals to give employers access to criminal records, penal reformers said yesterday.

Their fears of ex-offenders being excluded from society were expressed as the government published its white paper, *On the Record*, which sets out plans for three levels of criminal record inquiry on job applicants. They will be carried out by an independent Criminal Records Agency, with access to "Phoenix", the police national computer, and a set fee would be charged for each check.

Officials suggest the charge would be less than £20 and in most cases will have to be paid for by the job seeker, not the employer.

Under the proposals, any employer can ask a job seeker to provide - at the applicant's own expense - a "criminal conviction certificate" detailing all current convictions, but it will not list spent convictions or cautions.

In more sensitive areas, for example teaching and health care, employers will have access to a full check which will include spent convictions and cautions.

At the highest "enhanced" check level, employers will be able to check up not only on criminal records, but on other information known to police - including the applicant's known associates, decisions not to prosecute and even acquittals where the circumstances give cause for concern for child protection purposes and for those applying for gaming, betting and lottery licences.

But many working in the justice system said the moves will breach job seekers' privacy, further jeopardise the already difficult task of ex-offenders in seeking work, and lead to more re-offending.

Only last week, a Home Office study concluded the most effective way of rehabilitating offenders was to find them work and said that government departments and agencies needed to "develop a more collaborative and strategic approach to the problems of offender unemployment."

Yesterday, Harry Fletcher, assistant general secretary of the National Association of Probation Officers said: "Ministers appear to be saying they cannot support initiatives which will result in ex-offenders finding work at the expense of the law abiding unemployed."

Paul Cavadino, chairman of the Penal Affairs Consortium, said: "The planned legislation would give employers an enormous amount of information about past offences with no relevance to the job for which someone is applying. This will increase the risk that ex-offenders will be unfairly excluded from jobs because of old and irrelevant convictions."

But yesterday, announcing the plans in the Commons as part of his "law and order" week, Michael Howard, the Home Secretary, said: "We need a more accessible and open system of pre-employment checks to meet the needs of employers who place people in positions of trust."

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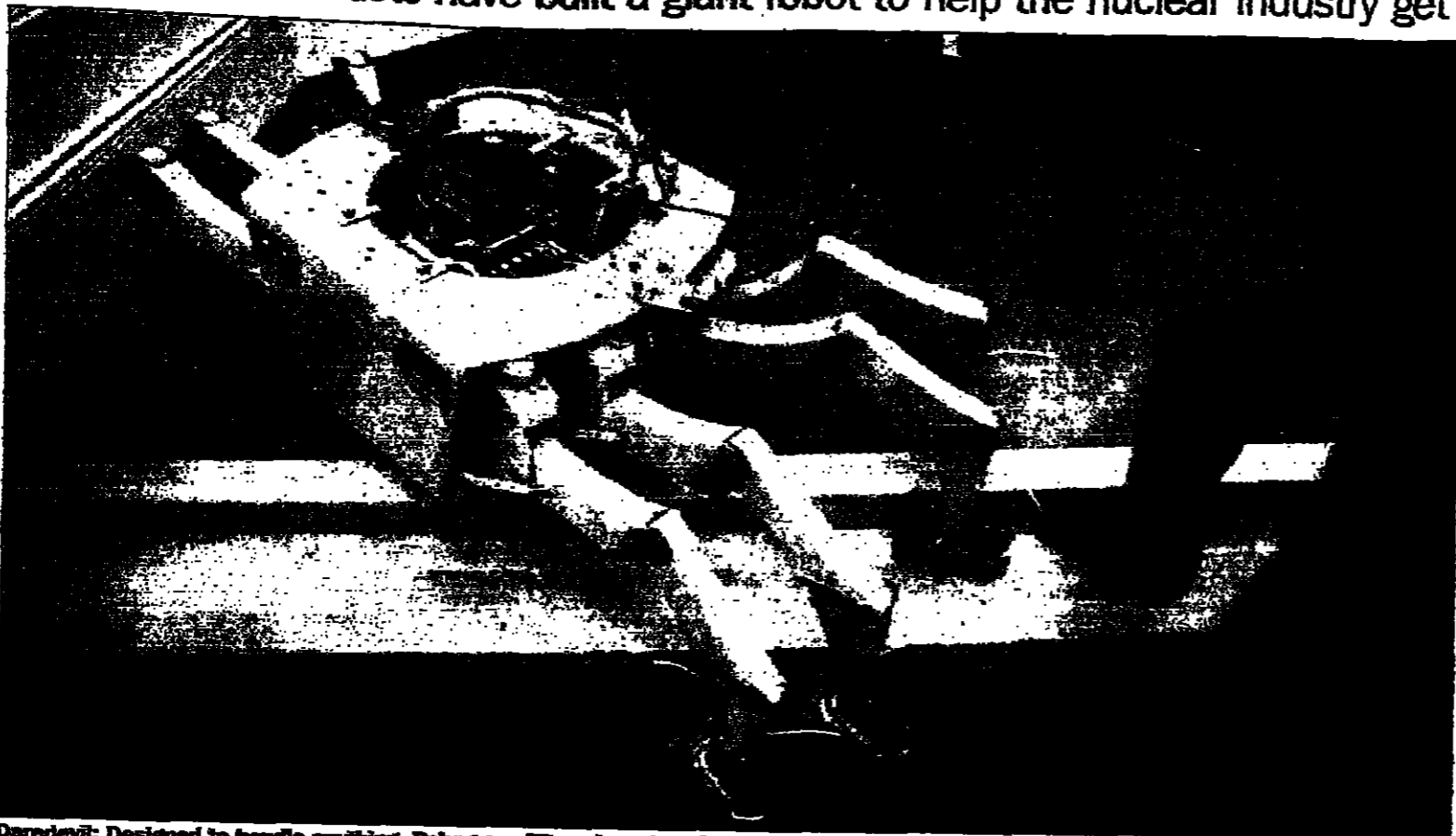
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25-year  
cover-up  
of victims  
in care

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**Robug 3:** Scientists have built a giant robot to help the nuclear industry get injured workers out of hazardous environments



Daredevil: Designed to handle anything, Robug can lift or drag the injured from an accident, climb over debris and even climb sheer walls

## Super spider prepares to crawl to the rescue

CHARLES ARTHUR  
Science Correspondent

A 10ft robotic spider that can climb walls or carry a 100kg person could soon replace rescue workers in hazardous environments such as radiation accidents.

The bright yellow eight-legged robot - named Robug 3 - was designed and built by scientists at Portsmouth University, Hampshire. It is powered by compressed air and has a front-mounted camera, infrared sensor and a laser scanner that can see through smoke-filled rooms.

It was developed to meet the needs of the nuclear industry - where the dangers of sending a human rescuer into a radiation-filled environment might be unjustifiable. Instead, Robug 3, which cost £800,000 to develop in partnership with universities in Germany, Belgium, Denmark and Poland, could go and drag or lift an injured worker.

Gurinder Singh Virk, professor of control engineering at Portsmouth University, said: "We were asked by the European Commission to build a rescue robot following the Chernobyl disaster. The people in Brussels were really frightened about what could be done if something like that happened again. The idea was to make a machine that could handle anything. It can walk, climb over debris, and even climb up sheer walls when it has to."

The legs have suction pads and each can bear 65kg, so only two legs are needed to support the robot while it is wall-climbing.

Already prototypes of Robug are being used by the nuclear industry in Britain, Italy and France, and by the CERN (European Council for Nuclear Research) particle physics project in Switzerland. But the designers also see its potential for industry, mining and the military.

The main problem at the moment is the robot's speed. It can only manage about two yards a minute, because it has to trail a cable to its power source and to the human operator who watches and directs its movements via a television screen.

And the effect on those waiting to be rescued might be unnerving too. Professor Virk admitted that the sight of Robug crawling up a wall can be a shock: "When it's about eight feet above you it really looks frightening," he said.

Robug 3 is likely to be the first of a mechanical family adapted for different jobs which might include maintenance, inspection and safety tasks on ships and in chemical plants, mines and construction. Professor Virk said the scientists were also talking to officials from the Defence Evaluation and Research Agency at the Ministry of Defence.

## 25-year cover-up of victims in care

ROGER DOBSON

A secret report on the brutal regime at a children's school in North Wales reveals that boys were being abused as long ago as the 1960s.

Boys were regularly kicked, punched, thrown, kneed and viciously beaten by named staff members at the Bryn Estyn school according to an unpublished Home Office tribunal report. In one case, two boys were whipped from head to toe, and one needed medical treatment.

Fourteen workers at the home gave evidence to the tribunal but its report - completed in February 1971 - was never published. It is believed that only a handful of copies of the 255-page dossier exist.

A copy obtained by the Independent establishes that abuse at Bryn Estyn went on for more than 30 years and started long before the abuse that led to the 1991 police investigation. Until now, it had been thought that most of the abuse in North Wales was confined to the late 1970s and 1980s. But the emergence of this latest report shows that physical abuse was widespread in the 1960s.

Bryn Estyn was run as a residential school until the mid-1970s when it became a children's home. Children at the home were subjected to widespread physical and sexual abuse in the 1970s and 1980s.

Witnesses gave evidence to the tribunal of boys being punched by a named officer in the head and the stomach and then kicked across the room.

One another occasion, a boy was kicked and punched and thrown against a wall. Another staff witness said, "Mr [X] had canes in both hands and

then proceeded to lash both boys from head to toe. Each of the canes was broken into little pieces."

When one alleged perpetrator was quizzed by the eight-strong committee of inquiry about why he had beaten up a boy rather than use a cane, he blamed a shortage of canes.

"There was a postal strike on and we hadn't applied for any more canes. The canes came from the Home Office in three, you see. I had forgotten the fact that the canes were broken. I must say that the Home Office doesn't supply good quality canes. These were so dry that when they were used they splintered into smithereens."

It is understood that no one was prosecuted as a result of the inquiry. All copies of the reports and evidence were recalled.

The report was the first of 15 investigations in abuse of children in residential establishments in North Wales, none of which have been published.

The latest official inquiry into the sexual abuse of children in care in Ceredigion - to be headed by Sir Ronald Waterhouse, a judge of the Queen's Bench Division - has been blocked by the Labour MP, Am Iwan, who fears it will create a "wall of silence" and prevent public debate on the scandal.

Among the issues she is most anxious to raise are allegations made in the Jifings Report, publication of which was suppressed earlier this year for fear of libel. These included the pressure exerted by the council's insurance company to suppress the report, and the refusal of North Wales police to accept help from an outside force, despite allegations local police had been linked to the abusers.

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### DAILY POEM

#### Carcass of Sheep in Fork of Dead Tree

By John Kinsella

A set up. The carcass slung over a fork in a dead tree, the line-of-sight unbroken from shearing shed, perfect for high powered rifles with telescopic lenses hungry for predators. You see, certain birds think nothing of roosting sheep climbing dead trees. Not at a later date, when the Aborigine has become the saviour of an ark stranded by flood, of a photographer convincing his subject to sit naked beneath the wreckage, the grey branches - side stretched such that the ripple closest to the camera becomes as sharp as the eye - a bullet.

John Kinsella was born in Perth, Western Australia in 1963. One of a new generation of Australian poets, he has recently been awarded one of the inaugural Young Australian Creative Fellowships for "outstanding artistic contribution to the nation". Kinsella's preoccupations are, as Les Murray has noted, the "anamnesis of rural Australia": unrelenting landscapes, punishing extremes of weather, and the mutual struggle for survival of man and the natural world. *The Undertone: New and Selected Poems* is published by Arc at £7.95.

## news



Dolly mixture: A collection of German bisque dolls' heads from around 1910 forming part of a large sale of toys, dolls and biscuit tins at Sotheby's in Billingshurst, West Sussex, today. This boxed group is expected to fetch £350-450. Photograph: Andrew Hession

## Scott 'misled' over licence for arms to Iraq

ANTHONY BEVINS  
Political Editor

Lord Justice Scott was misled by Whitehall during an investigation into allegations that Royal Ordnance exported arms-related equipment and material to Iran and Iraq.

Michael Portillo, Secretary of State for Defence, has disclosed that after an eight-month tangle of more than 1,000 Royal Ordnance export licence applications, it has become clear that the company was uniquely exempt from normal legal requirements after the Government sold it off to British Aerospace in 1987.

According to Mr Portillo, the company did not provide "supporting documentation" when submitting applications for export licences.

But February's Scott report into the export of defence-related equipment to Iraq said that after Royal Ordnance had been

incorporated in August 1984 - in preparation for privatisation, with Michael Heseltine, then Secretary of State for Defence, as sole shareholder - it "became subject to the ordinary export licensing regime". For good measure, the judge added: "This obviously continued after its sale to British Aerospace."

A letter Mr Portillo sent last week to Labour frontbencher Stephen Byers - in response to a letter from Mr Byers last October - shows that both those statements were false.

Mr Byers suspects Mr Portillo could be putting the knife into Mr Heseltine, the Deputy Prime Minister, who made a sensational Commons statement a year ago on an arms company, BMARC, and export licensing irregularities that allowed a diversion of arms-related equipment to Iran. Jonathan Aitken, then Chief Secretary to the Treasury, had been a BMARC director and Mr Heseltine's disclosures left him open to embarrassment, but a Commons Select Committee investigation is expected to clear him of any impropriety, or knowledge, in a report to be published tomorrow.

Mr Byers told the *Independent* yesterday that Mr Portillo's revelations will embarrass Mr Hes-

eltine because of his direct responsibility for Royal Ordnance before he walked out of Margaret Thatcher's Cabinet in January 1986. "Both Aitken and Portillo are close, politically. Revenge is a dish best eaten cold, and this could be it," he said.

He also said: "This statement raises a lot of questions for Heseltine; what did he know about this in 1985-86? Did he turn a blind eye... and as sole shareholder how did he exercise his responsibilities?"

Mr Portillo said in his letter that while Royal Ordnance had asked to continue its exemption from export licensing rules - like government-owned International Military Sales and the Crown Agents - there was no record of that being agreed.

But he added: "It would appear from the relative absence of supporting documentation among the export licence applications that some arrangement must also have been agreed in respect of Royal Ordnance."

He also said there was no evidence RO knew of any diversion of their goods to Iran. But he was careful not to clear them of all doubt, saying: "However, the possibility that a third party diverted RO goods without RO's knowledge cannot be excluded."

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## Union chief is gagged over 'fat cat' deals

BARRIE CLEMENT  
Labour Editor

Union "fat cats" who stand to receive huge severance payments worth up to £500,000 have issued an order that their senior colleagues must keep quiet about the controversy.

The ruling executive of the Amalgamated Engineering and Electrical Union, which awarded themselves the "golden goodbyes", has instructed Davey Hall, the union's newly-elected president, not to speak to the press about the severance package. He is the only member of the powerful national committee who will not benefit from the arrangement.

While Mr Hall yesterday refused to comment on the gagging order, sources close to the union said the AEEU's members would be furious that a democratically-elected president with a 24,000-vote majority had been prevented from speaking. The severance deal, revealed on Monday by the *Independent*, has led to growing concern among members of all shades of political opinion about the leadership of the union. The latest issue of the *Engineering Gazette*, a journal produced by left-wing AEEU activists, argues that the union is being "fractured beyond repair".

Under the early retirement package agreed two years ago, the £40,000-a-year executive members can opt to leave the union 10 years early on the

equivalent of full pay. On leaving they would also receive lump sums of up to £50,000 and be allowed to keep their BMW and Rover cars, worth more than £20,000. At 65 they would draw a full pension.

The deal was worked out to reduce the executive council from 22 members to nine, following the merger of the engineers' and electricians' unions to form the AEEU four years ago. The executive has so far been reduced to 13 with Sir Gavin Laird, former general secretary, among the beneficiaries of the retirement terms.

Ken Jackson, the union's right-wing general secretary and one of the executive members who could opt to take early retirement, has said that details of the arrangements would be disclosed in the annual report which is due to be published soon.

While leftist elements in the union are the most vociferous critics of the "hampers" - as they are known by executive members - both left and right-wingers on the ruling council stand to benefit.

Jimmy Airlie, a left-winger who is expected to retire later this year when he is 60, will be the first executive member to face activists following the revelations. Mr Airlie is due to address shop stewards from the shipbuilding industry who are meeting today and tomorrow in Tynemouth.

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edited by David Lister

arts news

## Boys together as women miss Turner Prize shortlist



The four artists shortlisted for the Turner Prize (clockwise from the left): Craigie Horsfield, Douglas Gordon, Gary Hume and Simon Patterson. Examples of their work submitted for the prize are (clockwise from the left) Horsfield's *Andrea Cruz*, Gordon's *Hysterical*, Hume's *Pauline* and Patterson's *Sister Ships*. The exhibits, which can be seen at the Tate Gallery in London from October to January, include painting, film, photography and installation pieces

## £20,000 award plays safe with choice of art but risks row over artists' sex, reports David Lister

With one artist whose work includes a 24-hour showing of Hitchcock's *Psycho* slowed to two frames a second, and another who claims that painting can no longer engage with reality, this year's Turner Prize shortlist clings to its usual arena of controversy.

But the judges may inadvertently have created a larger controversy by cocking a snook at "shortlist correctness" and selecting a four-strong shortlist for the £20,000 prize which does not include any women.

Nicholas Serota, director of the Tate Gallery and chairman of the judges, said he and his colleagues were "surprised" when they realised there were no women on the list. Many women artists were producing impressive work and had been considered, he said.

"It may be that there was no single manifestation by a woman artist that quite caught the imagination of the jury. We didn't want to include someone just as a token made to some category, like under-25s or whatever." It is the first time in 10 years that the jury has selected an all-male shortlist. Some critics are already viewing the list as a "safe" one, which, if nothing else, shows that it is now accepted as the unremarkable norm for film, photography and installation pieces to represent the best of contemporary art.

The shortlist was denounced by Brian Sewell, art critic of the *London Evening Standard*. He said: "If the Turner Prize is trying to commit suicide by boring the pants off us, it is going the right way about it. These four are nobodies. They are not outrageous or a slap-in-the-face or whatever else Tate director Nicholas Serota wants to tell us, they are plain damned dull and boring."

The Glasgow-born artist Douglas Gordon, 29, produces work exploring memory and perception. His 24-hour *Psycho*, in which Alfred Hitchcock's thriller was projected on to an overhanging screen and slowed down to two frames a second, is intended "to destabilise the established meaning of films".

The photographer Craigie Horsfield, 46, turned to film and

photography following his "dissatisfaction with contemporary painting's lack of engagement with reality". He chooses his works from hundreds of black and white negatives, including uneasy portraits of his wife, Ava. Horsfield claims we cannot live a moral life without acknowledging our fellow humans. "The acceptance of the other is probably the starting point of an ethical world," he said.

Gary Hume, 34, came to notice with a series of 30 apparently abstract paintings which were based on hospital doors. According to the Turner judges, "Hume had also recognised the potential of a subject hardly explored before in painting, and one not without resonance - to pass through the swing doors in a hospital might well be to pass from life to death..." Hume has since branched out into more recognisable images, including a portrait of the DJ Tony Blackburn.

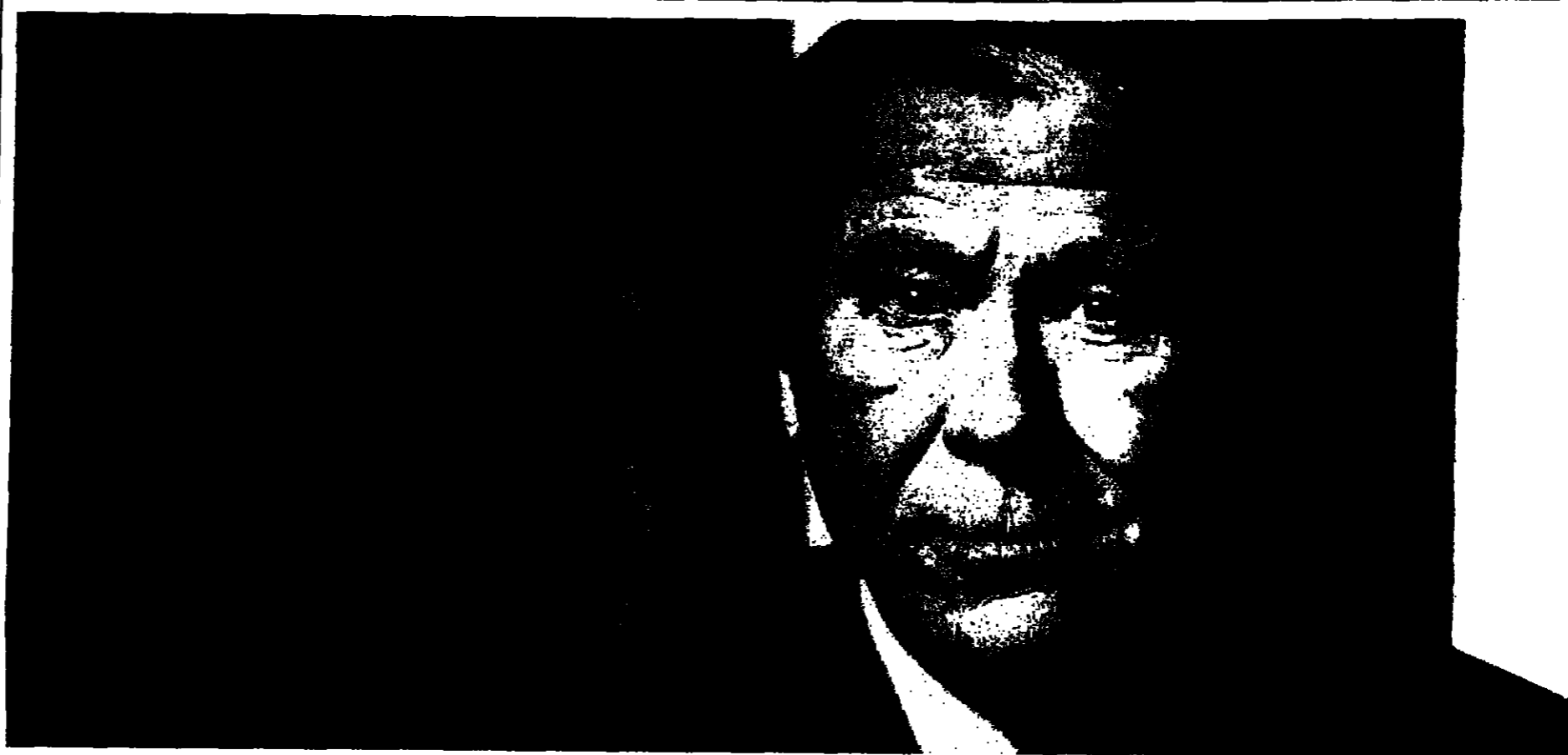
Simon Patterson, 29, takes familiar systems like the London Underground map and subverts them, for instance by replacing station names with those of great philosophers or inventors. This process of displacement and contradiction is said to upset established functions and rationales.

William Hill bookmakers yesterday declared Patterson the 6-4 favourite for the prize.

Mr Serota said: "There are a relatively small number of British galleries that are in a position to mount substantial shows of modern art. In the 1960s David Hockney's work could be seen at a major exhibition in Manchester but local authorities no longer have the resources. I think that it means the British public is failing to be given opportunities to see the work of British artists."

But the public remained keen to see contemporary art, he maintained, and the doors of the Tate sometimes had to be closed at weekends last autumn because of the huge number of visitors to be Turner Prize exhibition, he said.

The exhibition will be mounted from 29 October to 12 January and the winner will be announced live on Channel 4 on 26 November.



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## Finance chief at Royal Opera quits

JOJO MOVES

The planned redevelopment of the Royal Opera House was thrown into turmoil yesterday with the news that the institution is losing key figures from its finance department.

Finance director Clive Timms, 47, has resigned "for personal reasons", and the ROH is about to lose its head of finance, David Pilcher, who has been made redundant.

The departures coincide with one of the most turbulent points of the London opera house's history, just as it is about to start a redevelopment that, including its travelling costs, will cost a total of £213m.

The ROH, which became the centre of a controversy when it was promised £78m in lottery grants, has to raise an equivalent amount through sponsorship from businesses and individuals to qualify for the award.

A spokeswoman yesterday said that she could not say how

the resignations would affect the institution's fundraising plans. "I think until we have information on the structure of the finance department after Clive Timms, it really is difficult to comment," she said.

Although she would not comment on the reasons behind his departure, Mr Timms' resignation is said to have followed an internal row over the ROH's projected budget for 1997-98, which the Arts Council proposed should be cut back by about £3m.

The ROH's current problems have been made more pressing because building work on the redevelopment has already been started.

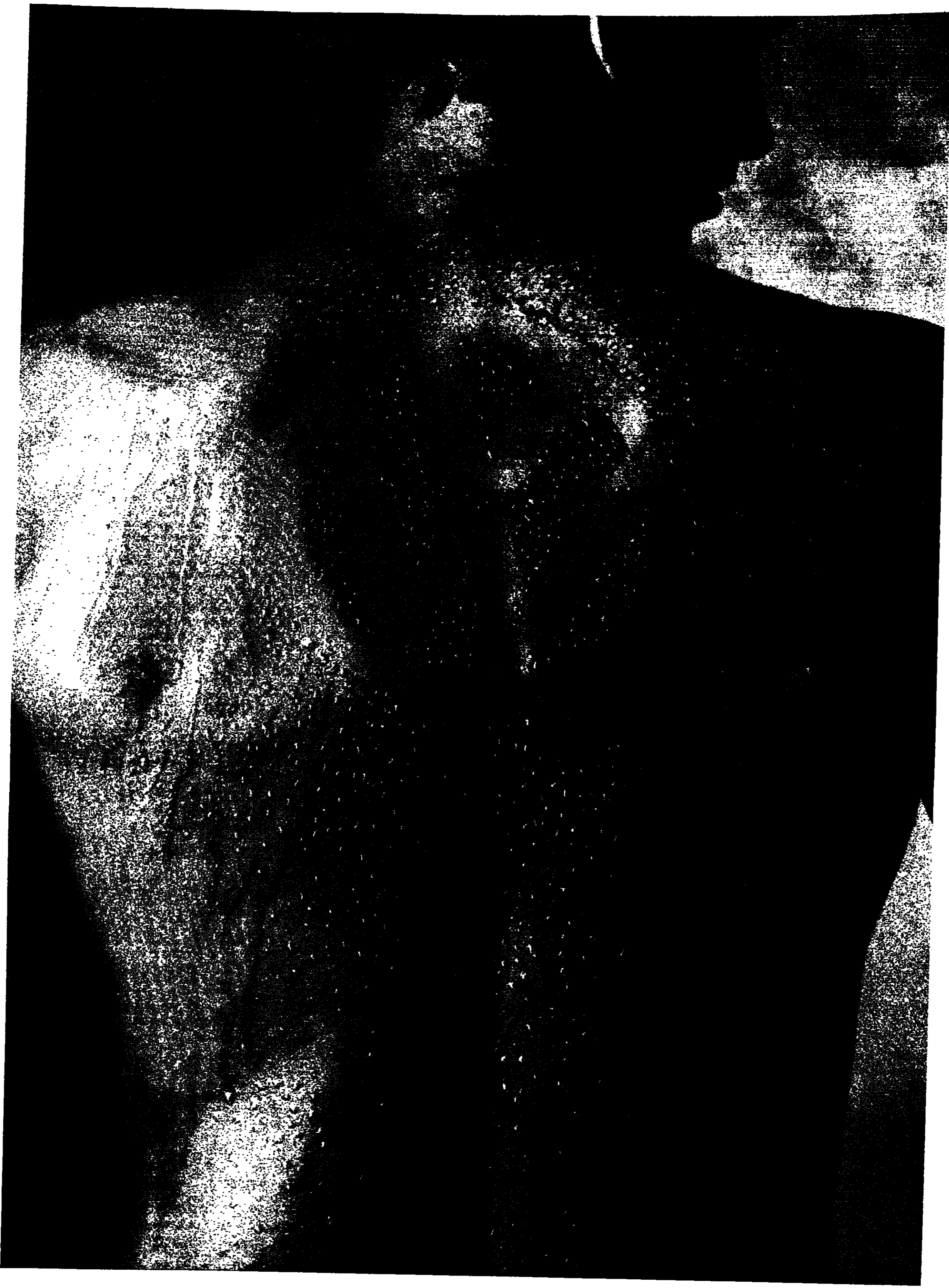
The House is due to close during the summer next year, and is still attempting to finalise its plans for its first year as a travelling house.

The ROH will be setting up in a temporary home in London, probably at the Barbican Centre, and the Royal Ballet will be touring.

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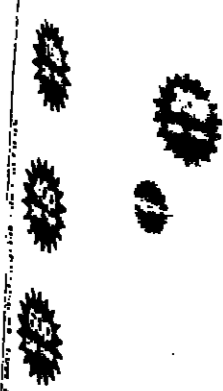
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# Naval blockade lifts in Adriatic

But efforts to stop a Balkan arms race will carry on, Christopher Bellamy reports

The naval blockade of the former Yugoslavia was suspended yesterday following the UN decision on Tuesday to end the arms embargo after four and a half years. Nato's Southern Command yesterday said that "Nato and WEU ships will no longer challenge, board or divert ships in the Adriatic".

The combined forces of Nato and the Western European Union will disperse but be available if sanctions are re-imposed.

In theory, there could now be a massive influx of arms to Bosnia, Croatia and the Federal Republic of Yugoslavia (Serbia and Montenegro), although senior military and diplomatic sources yesterday said that they thought this would be unlikely, and that the peace implementation force, I-For, will continue to monitor all entry points.

The former warring factions agreed limits on armaments at last week's review conference in Florence. But the limits only refer to numbers of different types of weapon and will not prevent factions replacing old weapons with new ones.

The joint Nato and WEU naval blockade - Operation "Sharp Guard" - began three years ago, on 15 June, although Nato and WEU forces had been patrolling separately since November 1992. Until yesterday 18 warships from 11 countries were involved, including two - HMS Nottingham and HMS Campbelltown - from Britain.

Combined Task Force 440 was commanded by Admiral Mario Angeli of Italy, who also had eight maritime patrol aircraft available for searching for blockade runners.

Yesterday Nato said: "Enforcement operations have been suspended but operation Sharp Guard has not been terminated. Nato and WEU forces



Patrol on watch: With the possibility of an arms build-up following withdrawal by the Western forces, I-For soldiers, like these at the US checkpoint in the Bosnian city of Brcko, will continue to monitor entry points to the former Yugoslavia

will be prepared to resume enforcement operations if economic sanctions are reimposed."

Since November 1992, the Nato and WEU forces have challenged more than 73,000 ships, boarded and inspected almost 6,000 at sea, and diverted 1,500 to ports for inspection. Only six vessels were found to be carrying arms in violation of UN Security Council resolutions.

Most of the arms which found their way into the former Yugoslavia came by land, but Nato officials claim that the

maritime blockade had a major effect in preventing escalation of the conflict.

Preventing a build-up of arms now depends on the former warring factions' compliance with the agreed totals, and on the ability of I-For and observers from the Organisation for Security and Co-operation in Europe (OSCE) to monitor what is going on. The Florence agreement limits heavy weapons in the same way as the Conventional Forces in Europe Treaty, affecting tanks, artillery, armoured combat vehicles, aircraft and helicopters.

Within Bosnia-Herzegovina, the Muslim-Croat Federation is allowed twice as many heavy weapons as the Bosnian Serbs, while rump Yugoslavia is allowed a similar advantage over Croatia. Much of the equipment is old, however, and diplomatic sources yesterday said they could not rule out its replacement with new, high-technology weapons.

The arms limits do not apply to equipment such as small arms, and hand-held anti-tank and anti-aircraft weapons, the type of weapons that the poorly trained local forces could most easily assimilate. The restrictions do not apply either to crucial components of military equipment such as radios, which made such a difference to the Croatian offensives in the Krajina last summer.

While the present implementation force remains in Bosnia, no European Union country will supply weapons to any of the countries affected by

the agreement. The US has said it will provide training but not weapons. However, one block to massive re-armament is the simple fact that the former warring factions are broke.

■ Bonn - A German soldier in Croatia was shot in the leg while travelling in an army vehicle, but not seriously hurt, *Reuters* reports. He was Germany's first peacekeeper to be shot in Croatia. Germany has about 2,700 soldiers in Croatia supporting the NATO-led peacekeeping force in Bosnia.

## UN clash with Iraq 'worst since Gulf war'

DAVID USBORNE  
New York

The diplomatic stand-off between Iraq and the United Nations worsened yesterday when a senior UN official arrived in Baghdad in the hope of mediating a solution only to be met by a barrage of criticism that branded him a "liar" and a "murdering cowboy".

Rolf Ekeus, the UN's chief weapons inspector, was dispatched to Iraq by the UN Security Council to try to resolve the latest crisis, which has been termed by officials in New York

the most serious since the Gulf War. "This is of a higher order than any we have had before," a diplomat said yesterday.

The confrontation arose last week when Iraq barred UN inspection teams from entering several sites in and around Baghdad suspected of holding material linked to a weapons programme. A UN trade embargo against Iraq instituted after the Gulf war can only be lifted once Iraq has proved it has abandoned all its programmes to build weapons of mass destruction.

There have been several skirmishes over recent years when Iraq has tried to impede the work of the inspectors. Most have been fairly quickly resolved, however. "The inspectors were simply told last week that the sites were off limits and that is the first time that has happened," the diplomat confirmed.

The Security Council reprimanded Baghdad twice last week and has demanded that full access for the inspectors be restored. Iraq meanwhile is claiming that entry to the sites in question would constitute a violation of national sovereignty.

Mr Ekeus, who has the task of judging when, if ever, Iraq is finally free of weapons programmes, was met yesterday by a blitz of hostile comment in the Iraqi media. Particularly violent was a so-called "open letter to Ekeus", in the daily newspaper, *Al-Jumhuriyah*.

"Mr Ekeus, you know that we know that you are a liar and that is why you dare not look Iraqi negotiators in the eye," it declared. "You want to enter sensitive sites that are symbols of our national sovereignty, which means that you are deliberately trying to humiliate the people of Iraq with the impudence only

found in a murdering cowboy". Mr Ekeus is not alone in suffering such arrows. Over recent months the Iraqi media has been the vehicle for repeated attacks against Britain and the United States, perceived in Baghdad as determined enemies of Iraq and the prime defenders of the post-Gulf war sanctions against it. In one such outburst recently, the US Ambassador to the UN, Madeleine Albright, was dismissed as "impudent" and a "blabbermouth".

Mr Ekeus is expected to remain in Iraq for talks with government officials at least until Saturday. He will then return to New York to brief the Security Council. Diplomats concede that no strategy has yet been agreed for action against Iraq, if the Ekeus mission is a failure. But the council has been united in countering the latest Iraqi manoeuvres. Both a statement and a resolution condemning Baghdad last week where passed unanimously. In previous discussions about Iraqi sanctions, several council members, including China, Russia and even France, have displayed a greater sympathy towards Baghdad than Britain or the US.

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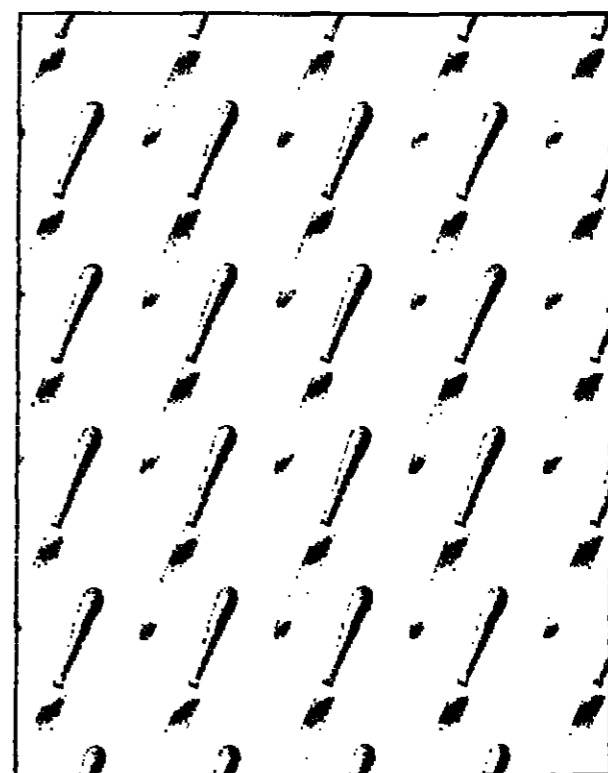
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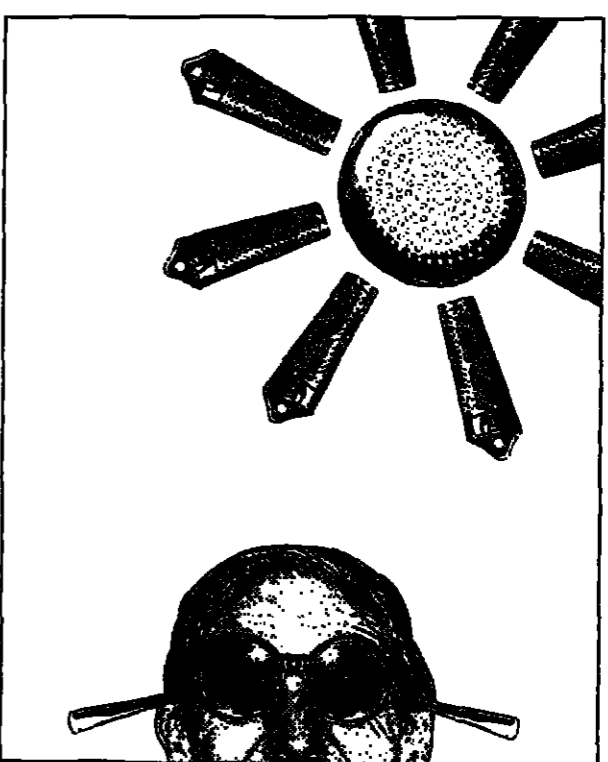
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## international

# Clinton seeks to defuse files controversy

RUPERT CORNWELL  
Washington

Battered by Whitewater and still enmeshed in "Travelgate," the Clinton Administration yesterday tried to defuse the separate but perilous controversy over purloined FBI files by naming a career bureaucrat to head a revamped White House office to supervise the use of such sensitive material.

The move came as Congress opened new hearings into what has been dubbed "Filegate" — the mystery over how and why White House political operatives in 1993 and 1994 sought and obtained confidential FBI background files on more than 400 people, some of them prominent Republicans, purportedly to "update lists" of people with access to the White House.

The new security chief will be Charles Easley, a Reagan-era appointee picked to avoid the slightest hint of partisanship. As a further safeguard, the White House said, anyone whose file could be needed will henceforth have to give written consent before it can even be requested from the FBI.

But this latest exercise in damage control had little impact on Capitol Hill where a Republican-controlled House Committee began hearings into the incident, tailored to cause maximum election year discomfort for the Clinton camp.

"Was this part of a larger pattern to compromise the FBI," thundered the committee chairman, William Clinger of Pennsylvania, as he opened proceedings, "or part of an all-too-familiar pattern of incompetence and incredibly mismanaged record-keeping...?"

The latter, insists President Bill Clinton, who has described the incident as a "straightforward bureaucratic snafu." However, subsequent revelations cast doubt on that assertion. Far from being a petty bureaucrat,

Craig Livingstone, the official who sought the files, was a battle-hardened Clinton campaign operative. Anthony Marceca, the aide who actually obtained them, transpires to have been not a humble Pentagon clerk on temporary secondment — as the White House said initially — but also a lifelong Democratic Party worker.

To the intense relief of the White House, the fiasco will not be coming under the scrutiny of the Whitewater special counsel, Kenneth Starr, who told the Justice Department this week that he lacked jurisdiction to carry out the investigation.

Far more than raucous Republicans on Capitol Hill, or the continuing fuss over the sacking of the White House travel office in 1993, it is Mr Starr's relentless digging in Little Rock and Washington that poses the real threat to the Clintons: possible criminal charges against several of their close aides and, in the very worst case, indictment of the First Lady, Hillary Clinton, for perjury or obstruction of justice.

Only yesterday for instance, Bruce Lindsey, one of the President's closest advisers and treasurer of his 1990 gubernatorial campaign in Arkansas, was named an indicted co-conspirator in the case Mr Starr is bringing in Little Rock against two small-town bankers charged with illegally channelling \$13,000 into that campaign.

None the less, the files affair could prove more than just another campaign year flap. The intricacies of Whitewater proper may surpass most mortal understanding, but misuse of confidential FBI information is all too easy to understand, for generations of Americans summoning the ghosts of Richard Nixon, Watergate and "dirty tricks" past. Once again the spotlight has been turned on the "character" question.

Leading article, page 15



Burning bright: David Randall, left, and Gary Grant of the New York Knicks basketball team bearing the Olympic torch through Times Square Photograph: AFP

## Nazi past burns a hole in Olympic myth

DAVID USBORNE  
New York

It was Monday at 3.09pm that the Olympic caravan appeared over the brow of the hill and slowly proceeded into our town of Cos Cob, Connecticut. School had finished early and it seemed every soul that lives here was lining the road. Finally, beyond the floats, the police cruisers and television vans, a flickering flame came into view and collectively we drew in our breath in awe.

This was our day in the glow of the Olympic torch that has been wending its way since 27 April from Los Angeles through the United States on its way to Atlanta for the opening next month of the summer games. It is a giant relay over 15,000 miles and through 42 states, with thousands of runners bearing it for a few fractions of

a mile before passing it onto the next one. "Look, look, there it is," one excited mother gushed to her child. "That is history. Doesn't it give you the chills?"

A "mother flame" was ignited from the sun's rays passed through a magnifying lens on Mount Olympus in Greece on 30 March. And on every night of the relay, that flame is placed in a guarded hotel room (always a Holiday Inn, a relay sponsor). The unabashed commercialism of the parade hardly disturbs us — no fewer than 10,000 of these torches have been made to allow every participant to take their home to their mantelpieces so long as they are willing to pay \$275 (£180).

What moves these crowds — and will undoubtedly move President Bill Clinton when he receives the flame at the White House tomorrow — is the sense

of connection: to a universal symbol of peace and to a thread of world history that stretches back to amateur competition in honour of Zeus in Greece several centuries before the birth of Christ. And so we gasp. What we most certainly do not think of is Adolf Hitler and the

July-August issue of the US periodical *Archaeology Magazine*. Among the misconceptions noted by the professor is the notion that the torch relay has ancient origins.

That was adreamed up by a German named Carl Diem. The professor writes that Diem, who organised the 1936 Berlin games for the Führer, "seeking to glorify them with an ancient aura, staged the first lighting of the Olympic Flame, now a hallowed ritual in which thousands delight". Indeed, he adds that the first torches were made by the Krupp Company, which was otherwise occupied in making munitions for Hitler.

The professor also disabuses us of our illusions about the five-ringed logo of the games. They were invented by the founder of the modern Olympics, the Frenchman, Baron Pierre de Coubertin, for whom each ring

represented a continent of the globe (the Americas being only one). For years, according to the professor, learned books sourced the logo to an inscription of the rings found on a rock at Delphi in Greece. "The books identify it as ancient and say that the five rings 'later adopted as the symbol of the Olympics' and are 'considered by experts to be 3,000 years old'. More nonsense".

Sadly, it is the 1936 games that provide the truth once again. According to Mr Young, the rings were scratched into the rock for a scene in a propaganda film about the infamous Berlin games called *Olympia* that was made for Hitler by the German director, Leni Riefenstahl.

There was nothing wrong with all of us getting the chills on Monday. But, if Professor Young is correct, we had them for the wrong reasons.



Olympic rings: Invented for Riefenstahl propaganda film

## Echoes of OJ as judge lets footballer go free

PHIL DAVISON  
Miami

There were shades of the OJ Simpson trial: a millionaire black American football player on trial for murdering his cousin.

The similarities appeared to end when a jury found Brian Blades guilty of shooting dead Charles Blades after a drinking bout in Fort Lauderdale, Florida, last year. But then, two days later, came the bombshell.

Expecting to be sentenced for up to 10 years, Brian Blades, a 30-year-old with a \$4.5m (£3m) three-year contract as a "wide receiver" for the Seattle Seahawks, showed up to be told how long he would be jailed for. Two minutes later he was as free as OJ and the comparisons and controversy returned.

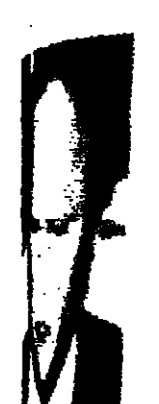
Within those two minutes, Circuit Court judge Susan Lebow announced that she, as "a reasonable person", had concluded the prosecution had not come up with enough evidence. In effect, she declared the jury's decision to be irrelevant, since the jurors had got the answer wrong. Judge Lebow was almost into her chambers before the defence lawyers realised what had happened. Blades shouted "hallelujah" and his relatives erupted in cheers.

Most of Florida, however, was stunned, saying the ruling showed bias because of Blades' Florida background, fame and fortune, and would encourage youths — especially in Miami's crime-ridden black ghettos — to settle disputes with guns. "An outrageous ruling," screamed a *Miami Herald* editorial. "Surely it will be reversed". The judge is nicknamed "Let 'Em Go Lebow" because of her lenient decisions.

The court had heard the footballer's chauffeur describe how, after an apparent drunken argument with his cousin, Brian Blades came back to his waiting limousine outside the relative's home to get a gun and return to the house.

In a call to emergency services afterwards, and in testimony, Brian Blades said the gun had gone off by accident.

Russia's seek co



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# Russia's Communists seek coalition deal

The Russian Communist leader, Gennady Zyuganov, yesterday sought to increase his vote before the run-off in the presidential elections, while also hinting that he might be willing to do a deal with President Boris Yeltsin.

In an effort to recruit voters from beyond the core of his party faithful, Mr Zyuganov promised to form a coalition government which would include representatives from every strata of society, including officials working in Mr Yeltsin's administration.

After months of being portrayed as a die-hard revolutionary by the Kremlin's publicity machine, he also explicitly distanced himself from his party roots by saying that he and his Communist-nationalist bloc never sought to rebuild Communism in Russia.

In recent months, Mr Zyuganov has increasingly spoken about forming a "government of people's trust" but yesterday he stressed its all-encompassing character by arguing that it would be neither Communist nor nationalist, but a cross-section of all Russia.

"We will be engaged with everyone," he said yesterday. "No one can go it alone in Russia today. There are those who backed Yeltsin; there are those who backed [Alexander] Lebed."



Zyuganov: 'No one can go it alone in Russia today'

**Zyuganov wants to build bridges ahead of the election run-off, writes Phil Reeves in Moscow**

The only way out is to form a coalition government, and to develop a clear-cut programme, a legislature that permanently controls the executive branch, and greater responsibility for executives at every branch.

On Sunday, he won about 23.6 million votes, some 2.3 million less than Mr Yeltsin and roughly half a million less than the Communist-nationalist vote in December's parliamentary elections. To break the 50 per cent barrier in the run-off, he needs to attract up to 15 million more voters - unless the turnout drops sharply from last Sunday's 70 per cent.

Although he stands a reasonable chance of winning some votes from the ultra-nationalist Vladimir Zhirinovskiy (who got 4.3 million) and General Lebed's 11 million electorate, he faces a huge task. This may explain the signs that he is beginning to blink as the final show-down approaches.

Yesterday Mr Zyuganov seemed to acknowledge the possibility of defeat by saying that "whoever comes to power must realise that a single political force cannot manage alone", but will be "obliged to express the actual political sentiments of the people". At the same time, he refused to rule out the possibility of accepting the post of prime minister, were Mr Yeltsin to offer it - suggesting that he is open to doing a deal with the Kremlin.

Whether Mr Yeltsin, who has mounted an increasingly anti-Communist campaign, would entertain such any kind of deal with Mr Zyuganov is a different matter. On Tuesday he successfully concluded a pact with General Lebed whom he appointed

secretary of the all-powerful Security Council and national security adviser after the retired general came third.

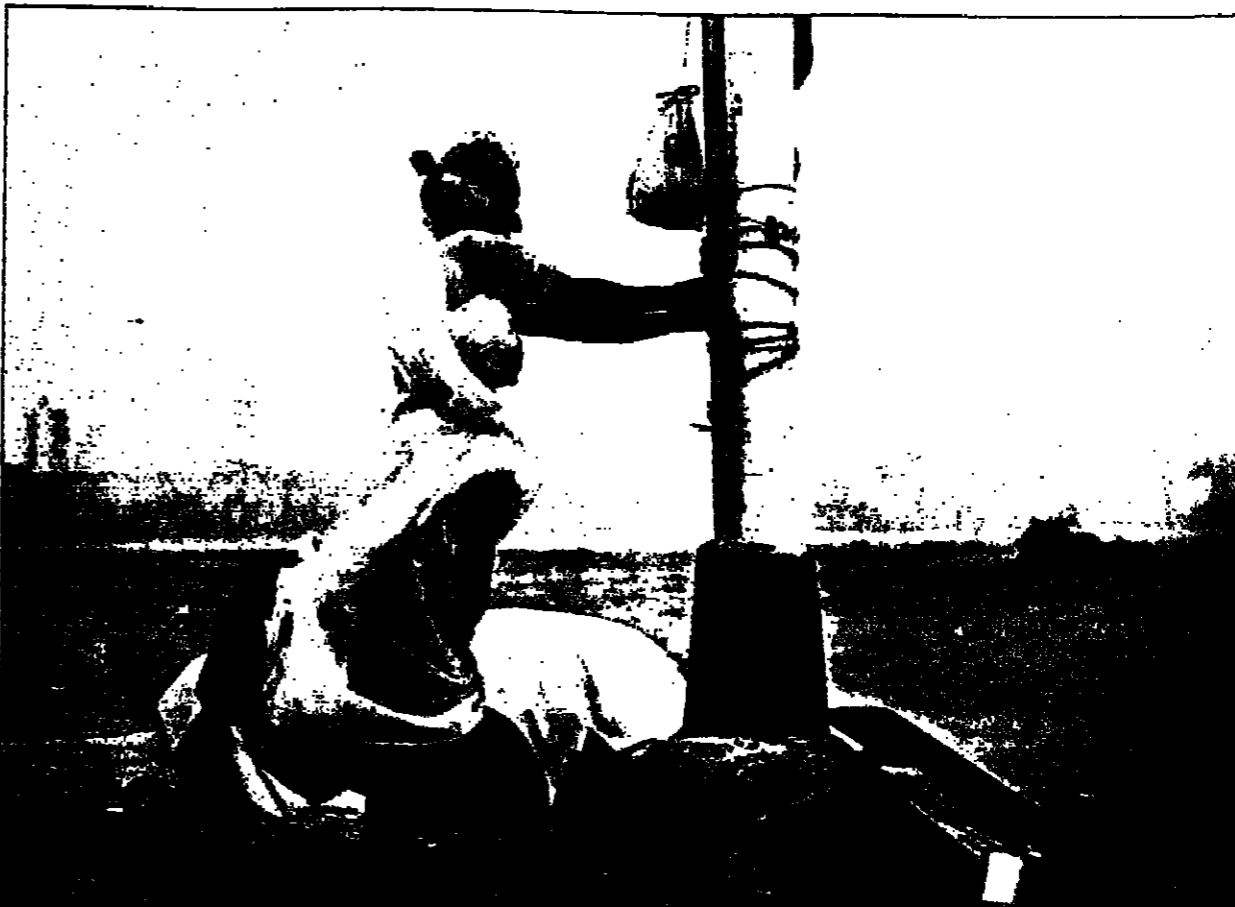
It is far from certain that this manoeuvre, which also included sacking the unpopular Defence Minister, Pavel Grachev, will mean that the majority of Lebed votes will go to Mr Yeltsin. But it is none the less a setback for Mr Zyuganov. Yesterday the Communist leader met General Lebed, but appeared to emerge empty-handed.

Mr Yeltsin's campaign inched further forward yesterday. While neither Grigory Yavlinsky, the liberal economist who won 7.4 per cent of the vote, nor Mr Zhirinovskiy endorsed the

President, they both advised their supporters not to vote Communist. The renowned eye surgeon, Svyatoslav Fyodorov, who won only 700,000 votes but remains widely respected, also said he would back Mr Yeltsin.

In yet another sign of unusual co-operativeness, Mr Zyuganov supported the Kremlin's bid to hold the run-off on 3 July, which the government has declared a public holiday. The Yeltsin team want to hold it soon because they need a high turnout to be assured of victory, knowing that - unlike their voters - the Communist supporters always tend to go to the polls.

The risk of a low turnout is increased by a host of factors: many Russians leave on holiday on 1 July; there is a weariness with elections; up to 5 million students, who lean towards Mr Yeltsin, also go on vacation soon and will be even less inclined to vote than usual.



Windy city: Radhabal Salunkhe, 80, holding on to a lamppost against a fierce gale yesterday as Bombay was hit by the edge of India's latest cyclone, which has torn across Gujarat and killed at least two people. Photograph: AP

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### SIGNIFICANT SHORTS

**Benjamin Netanyahu**, Israel's new right-wing Prime Minister, used his first Cabinet meeting yesterday to chip the wings of his defence and finance ministers and concentrate strategic policy-making in his own hands on the American presidential races. He announced the establishment of a National Security Council and an Economic Advisory Council, both reporting directly to the Prime Minister. Netanyahu's initiatives were designed to reduce the credibility of the opposition after the start of his inauguration on Tuesday night. He struggled for five hours to persuade his old Likud rival, David Levy, to take the Foreign Ministry portfolio, and to find a job for the ex-Defence Minister, Ariel Sharon. In the end Mr Levy was sworn in and Mr Sharon was offered a hastily-cobbled new Ministry of National Infrastructure. By last night, he had still not accepted it. *Eric Silver - Jerusalem*

The German cabinet approved a package of measures which for the will allow police to bug private homes to investigate serious crimes. The agreement marked the end of years of wrangling between Chancellor Helmut Kohl's Christian Democrats and his liberal coalition partners, the Free Democrats (FDP), who initially resisted what they saw as an infringement of civil liberty. *Reuter - Bonn*

A Spanish man lost both legs when a car-bomb meant for someone else exploded in the northern city of San Sebastian. Santiago Lopez, who works at the Basque employers' organisation Adgri, was moving the car of the firm's secretary-general inside a garage when the device went off. The attack bore the hallmarks of the Basque separatist rebels, Eta. *Reuter - San Sebastian*

Ash clouds from New Zealand's Mount Ruapehu volcano caused more havoc for airlines and forced doctors to summon a rescue flight from Australia to evacuate a critically ill patient. Plans to fly the 19-year-old woman out via Auckland, New Zealand's biggest airport, were wrecked on Tuesday when ash clouds forced the cancellation of all overnight flights to and from the northern city. *Reuter - Wellington*

A rocket attack by bandits on a tourist taxi travelling to the Angkor temples has left two Germans injured and emphasised the increasing dangers for foreigners in Cambodia. *AP - Phnom Penh*

A former top opposition politician denied charges that he spied for East Germany for nearly two decades. Karl Wienand, 70, once a prominent Social Democratic member of parliament, told a Düsseldorf court he found out only after the Communist state collapsed that one of his contacts there had worked for the Stasi secret police. *AP - Düsseldorf*

The sect accused of the Tokyo subway gas attack has transferred leadership from guru Shoko Asahara to his two sons, in the face of a threat of being outlawed by the Japanese government. The boys, whose names and ages have not been released, will take over from their father as "spiritual leaders", acting cult chief Tatsuo Murakami said. The move by Aum Shinri Kyo comes before a hearing tomorrow to decide whether to outlaw the sect. *Reuter - Tokyo*

A boat discovered the corpse of a victim of an April aircraft crash in the snow-covered mountains of Russia's Far East. The Il-76 cargo plane had 21 people on board when it crashed on the remote Kamchatka peninsula on 5 April. Rescue workers had found the bodies of 13. *AP - Petropavlovsk-Kamchatsky*

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# China fears a backlash from reform's new jobless

At 3pm each afternoon, Zhang Yuzhi parks her tricycle cart on a busy street in east Peking, perches on her stool, and waits hopefully for customers to rummage through the mound of cheap vests and longjohns she has brought for sale.

"It is really difficult," she sighed. "But I am one of the lucky ones. There are still a lot of people who do not have any work at all."

A year ago, Ms Zhang, 35, was one of about 500 employees - about a third of the workforce - at Peking's Number 2 Knitwear Factory "sent home" because of the dire financial situation at the overmanned enterprise. Since their expulsion the "reducing" employees have received a monthly subsistence "wage" of just 170 yuan (£13.60) from the factory, a sum that is by no means enough to live on.

Workers "sent home" do not swell the statistics of China's official 2.9 per cent urban unemployed, because they are still technically on the books of the factory. But they are left to fend for themselves in a half-reformed economy caught between the industrial relics of a centrally planned establishment

and the impossibility of funding a much-needed welfare system. As China this month silently marks the seventh anniversary of the June 1989 Tiananmen Square massacre, it is workers like Ms Zhang who cause the government most concern. For many of China's enterprises to have any chance of returning to profit, they must jettison large numbers of staff. But Peking is fearful of the threat to social stability if millions of workers are laid off. The alarm signals are already there: disgruntled workers are increasingly staging wild-cat strikes.

Across China there are countless people in the same position as Ms Zhang. A survey by China's State Statistical Bureau recently found that more than a quarter of China's 370,000 state-run companies were loss-making during the first three months of this year. The number of closures in the same period nearly doubled, compared with last year. The scale of the problem is

daunting. There are 147 million urban employees, and the government admits that about 40 million of them will have to be "helped" to find other jobs.

One survey, reported last week in the official newspaper, the *China Daily*, found that 41,000 failed state enterprises had suspended production by the end of last year, leaving

**'Tax officials close one eye to us ... knowing that we are in difficulties'**

5.5 million workers and pensioners without salaries or pensions. Over the next five years, the official estimate is that there will be a shortfall of 16 million jobs for people entering the labour market.

None of this even considers the situation in the countryside; the vice-minister of agricul-

ture, Wan Baorui, recently admitted that there were 124 million unemployed rural workers who had not been able to find alternative work.

Even in a booming city like Peking, there is a problem. According to one Chinese newspaper report, there are now 470,000 employees in the Peking municipal area receiving at most 230 yuan (£18.40) per month. Many of these are "sent-home" workers. The Peking Labour Bureau recently introduced a scheme whereby any firm which employed a "reducing" female employee over 35 years old, or a man over 40, would receive 3,000 yuan (£240) as a reward from the government, so long as the person remained employed for two years.

Usually it is younger employees who manage best to survive in the modern market-driven Chinese economy. Ms Zhang said some of her former colleagues had found casual work; one cleaned in a hospital, another in an office, one

woman was selling bottled water to taxi-drivers and five others were selling underwear.

China's fast-growing economy, and the Chinese entrepreneurial spirit, mean that, compared with other countries, there are more opportunities here for creating work. But older workers, who for decades were accustomed to the "iron rice bowl" cradle-to-grave employment and welfare system, find the changes hard and rely on their families for survival.

The textile industry is one of the worst hit sectors, with many large enterprises making losses, and mostly female workforces being made redundant by new machinery. The underwear sold by Ms Zhang comes from her old factory, which is typical in being burdened by huge stockpiles of goods that do not sell well. She said: "I bought them very cheap. The quality of these products is not bad, but the style is out of date. I have no money to rent a permanent place, so I sell beside the road."

The sales manager encourages us to sell and the tax bureau also closes one eye to us knowing we are in difficulties. They don't demand a licence."

Her cotton vests sell for just 8 yuan (70 pence) each, but in a good month now she can earn 300 yuan (£24) in her reincarnation as a self-employed small trader. Fortunately, her husband earns a reasonable wage as a state enterprise driver.

Ms Zhang represents the death throes of the "iron rice bowl" system. If Ms Zhang were to find another job, she would join the growing ranks of contract workers who have less long-term job security and who are expected to contribute to the new accommodation, health and pension funds that the government is encouraging. The government is insisting that by the end of the year all urban workers are on contract.

Outside Peking, for instance, is the gleaming new building of the Peking Number 1 Auto-Interior Factory, which in 1988,



End of the line: China's workers, like these outside Peking's huge new railway station, face a more uncertain future under the country's market-driven economy. Photograph: Reuters

emerged from the bankrupt wreckage of the Peking Number 3 Carpet Factory. All its 383 staff are on contracts of at least five years and monthly salaries should reach 1,000 yuan (£80) this year. But this is New China; employees must pay 12 per

cent of their wages towards company-run pension, housing and health schemes.

The government, meanwhile, finds that attitudes are harder to reform than pay-packets. If Ms Zhang were offered a new job, she might well refuse it.

Like many others, she might not want to be dropped from the books of her work unit. Ms Zhang has a naive conviction that, in 25 years, the Peking Number 2 Knitwear Factory will be able to honour her "iron rice bowl" pension rights.

## Dissidents risk dangerous liaisons in fight for democracy

### BURMESE DAYS

I was pushed through the curtains and there, in front of me, lying on a table was a pregnant Burmese woman with the great dome of her belly exposed. She gasped at me, the strange foreigner, and I gasped at her. I had come expecting to meet secretly with a dissident intellectual, not to help deliver a baby.

The man I wanted to see was in the garden. The rains had stopped and we sat in the tropical darkness of Rangoon. The intellectual had spent four years in prison. His crime: he had written an article praising the opposition leader, Aung San Suu Kyi, and he was now understandably cautious.

"If Aung San Suu Kyi were arrested or killed, it would be difficult for people to crawl out of the military regime's repression. They have driven a wedge of fear between us all," he said.

The secret police are everywhere in Rangoon. The hotel telephones are usually bugged, and there are informers in every government office and university building. The waiters in the tourist restaurants are also skilled eavesdroppers. Even the family compound where Ms Suu Kyi lives is being watched by agents of the dreaded Military Intelligence (MI).

So the Burmese are naturally jittery about being spotted in conversation with a foreigner. I never saw any secret police following me in Rangoon, but my dissident friends assured me that I probably was being tailed. Giant signboards have sprouted around Rangoon, proclaiming the "People's Desire". The fourth point of the "People's Desire" is: "Crush all internal and external destructive elements as the common enemy". Because the posters were in English, it is safe to assume they were a warning against nosy visitors like me.

At worst, the authorities would expel me as "a destructive element". But if my activist friends were caught, they would face a long and extremely painful spell in prison. To elude the MI agents, my pro-democracy friends had perfected dodges: we avoided the main avenues and instead stuck to the hilly back lanes. We sneaked through restaurant kitchens and strange little shops to meet dissidents.

Considering how cruel the ruling military can be with its own people, it is surprising how many risks some Burmese are willing to take. One well-known comedian, released after several years in prison for supporting the pro-democracy movement, tells his audiences: "Some of you may have heard that while

I was in jail, they broke all my teeth. Well, it's not true. See?" he says, reaching into his mouth and pulling out a pair of dentures. "My teeth are beautiful."

Stay in Rangoon long enough and you begin to see subversion, or at least surreal anomalies, everywhere. Take the state-run newspaper, the *New Light of Myanmar*. A headline reminded readers of the "blood and sweat" that the military had sacrificed for the country, it accompanied a photograph of five generals teeing-off on a golf driving range.

The ruling military council seems to vacillate between xenophobia to an almost child-like craving for affection and understanding. Most of the construction going on in Rangoon is hotels for tourists. So hundreds of these new hotels are empty. Building hotels in Rangoon is an accepted way for "surrendered" Burmese druglords to launder their heroin money.

The most notorious of all the Golden Triangle heroin smugglers, Khun Sa, is enjoying the junta's hospitality in Rangoon. He has reportedly been given permission to operate a public coach line through Burma into China. Some anti-drug experts believe this is a government-

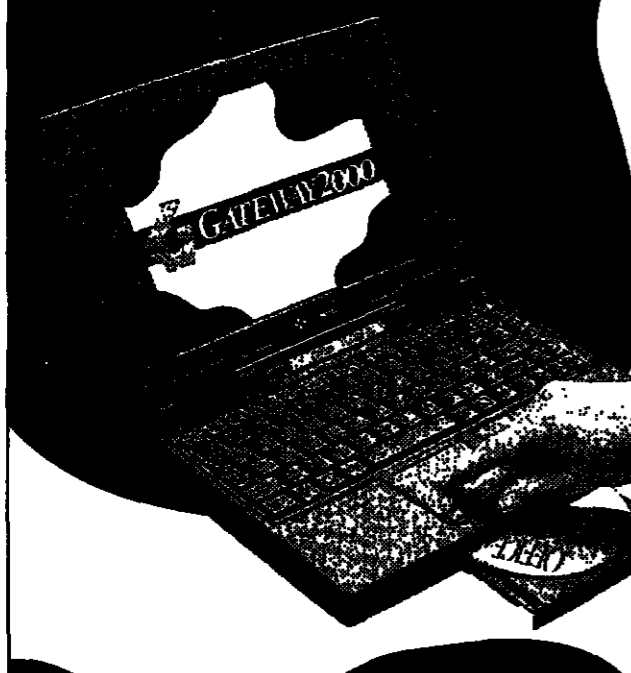
sanctioned front for Khun Sa to expand his heroin-smuggling empire into the Far East.


While the ruling military council is willing to shield druglords, its cruelty towards its less influential "law-breakers" is chilling. In the delta region of the Irrawaddy river, farmers must give 50 per cent of their rice crop to the army. Pro-democracy activists in the region said that recently one farmer's crop was destroyed by storms. So the farmer ran away. He was hunted down by the military commander and publicly strung from a tree. "After they hanged the farmer," said the activist, "the soldiers then chopped down the tree, as if to pretend that neither the farmer, nor the tree had ever existed."

Thomas Caleb

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صكرا من الامل

# The President, his wife, and the paranoid tendency

When Republicans and Rupert Murdoch are out campaigning on the same platform, the rest of us should all cast a cold eye on the message. So it is proving in the case of Mrs Clinton, and that stupendously insignificant piece of Arkansas real estate known as Whitewater. Even if there were smoking memoranda by the score, and boxes and boxes of shredded files, we should still wonder at the manner and meaning of her hounding. The fact, of course, is that there is no real evidence of misdeemeanour. The Republicans have conjured only innuendo. Whitewater always has been, and still remains, a political ramp in an as yet uninspiring presidential election campaign. By her enemies, we know Hillary Clinton to be a woman framed and defamed.

Whitewater is a tale of two parts. It helps to be clear why Whitewater Part One, the actual money-grubbing, is irrelevant, and why it would still be irrelevant to the good government of the United States of America even if Mrs Clinton had speculated her way to a multi-million dollar fortune. Whitewater Part One is about money in Little Rock. That's Little Rock, Arkansas. State governance is in a relatively healthy condition in America – arguably more so than federal government in Washington DC. State institutions work when it comes to dealing with allegations of corruption in gub-

ernatorial office. No one, at any stage of the Whitewater affair, has insinuated that Arkansas justice is inadequate or the Arkansas legislature is incapable of holding a past governor, or his wife, to account for events during his term of office.

Congress has no business rummaging around in the debris of state politics. That such interference has been commissioned by Republicans makes a nonsense of that party's claim (made strongly a decade ago by Ronald Reagan, and more recently by Newt Gingrich) to be the party of devolution of power to the state level.

So what is this Whitewater fuss? It is, very simply, a way of doing down Democrats by fuelling the limitless American appetite for conspiracy stories. The paranoid tendency in American political life is alive and well: the Clintons are merely its latest subjects. Huge amounts of time and effort have been taken up in an inquiry which turns out, on this week's evidence, to be wholly inconclusive. The government of the world's greatest nation, on Capitol Hill, as well as at 1600 Pennsylvania Avenue, has been distracted by an irrelevance.

Whitewater Part Two concerns what the Clintons allegedly did to cover up Whitewater Part One once they were installed in the White House. Here we enter a murky territory of apparently missing documents, suicide and san-

itized offices. Two conclusions can be drawn from the report of the Senate Whitewater committee. One is that the Senate of the United States has now almost completely surrendered its traditional deliberative and quasi-judicial roles. The Republicans cannot be blamed for this: not set in when Democrats, including Teddy Kennedy, started abusing the Senate's role in approving executive appointments. But look at the Senate now. A committee which takes its cue from Senator Alfonse d'Amato is not to be trusted to find matters of fact let alone make judgements of motive or significance.

The second, more important conclusion is that after 770 pages the President's wife has not been convincingly implicated in wrong-doing. The Senate Republicans' report goes to the Whitewater special prosecutor, who has to make a more impartial assessment both of the evidence and of the merit of a suit against Mrs Clinton. It is worth pausing to contemplate this spectacle: a special prosecutor, with an amplitude of powers to search and take evidence, is mounting his charge against a private citizen who happens to be married to the President, and who, even if she had done what they say

she did, has done nothing to harm the general well-being of American federal administration.

Why is this happening? Because Hillary Clinton is a victim of America's problem with prominent consorts. Norma Major's successful strategy – do nothing that is newsworthy – is not available even to the likes of Rosalynn Carter. Oprah's viewers would love the First Lady to be another Jackie. Instead she turns out to be matronly but a bit too clever, like Barbara Bush, or, Hillary's sin, opinionated and worldly. Add to that Hillary's liberalism, and the baggage from her past lives as feminist and political activist, and Hillary Clinton becomes too difficult for Americans to handle.

Mrs Clinton is also, inevitably, a ripe fruit in a dry season. The Clinton-Dole presidential contest is not heart-stoppingly exciting. Mr Dole dickers over the difference between a plank and a platform and the various qualifying statements that may be needed to keep together the religious right and the Republican mainstreamers. But what would happen if he won? Well, he too would have a wife problem. If Republican dominance in the Congress is lessened, even if only by a small amount, he would, as President, have to contend with vociferous cries for a parallel investigation of his own wife's financial and political records. The point

is that Mrs Liddy Dole would deserve it no more than Mrs Clinton. If high federal office is now to be reserved to men with blameless sexual and marital records whose spouses are squeaker clean than Caesar's wife, American political leadership will become even more bereft of talent than it already lamentably is. Running a woman for president will not solve the problem, either – as Geraldine Ferraro will surely tell anyone willing to listen.

## As a sportsman, you can't win

You can't win – at least, not against the corps of national newspaper sports writers. If you mess up, they slaughter you – turn you into a turnip, drag your love life out into the centre circle, and, worst of all, catch you out on the razz.

Then you go out and play the most exciting attacking football Wimbledon has seen in years, and what happens? The sports writers claim the credit! We told you so, they say. You've got our message, and look what happens – you win!

But what you have to remember is that it's very hard for grown men to write one thing one day, and exactly the opposite the next. And, having turned 180 degrees yesterday, just wait and see what happens if you get knocked out in the quarter finals (Heaven forbid).

## LETTERS TO THE EDITOR

### Indian veto could sink test ban deal

Sir: At the negotiations in Geneva for a Comprehensive Test Ban Treaty, a difficulty has arisen over the requirements for the treaty's entry into force. Britain, together with the other nuclear weapon states, proposes that before it comes into force the treaty must be ratified not just by the five declared nuclear weapon states, but also – among others – by the three "threshold states": India, Pakistan and Israel.

This requirement is in all probability a prescription for a treaty which stays in limbo indefinitely, and never comes into force at all. It would give India an effective veto on the treaty, a veto which India would be virtually certain to use. Is this what some of the nuclear weapon states had in mind?

The first international discussions of a Comprehensive Test Ban Treaty began on 1 July 1958, nearly 40 years ago. Now that the prize seems at last to be within our grasp, it would be a tragedy if the venture failed because of provisions which allow for a veto by a single state known to be opposed to the treaty. Have we come all that way, for this?

General Sir HUGH BEACH  
Vice-Chairman  
Council for Arms Control  
FRANK BLACKBURN  
President, British Nuclear  
Test Ban Coalition  
Professor JOSEPH ROTBLAT  
London SW1X

Sir: In Florence this weekend the Inter Governmental Conference of the European Union will, as part of its review of the Maastricht treaty, discuss foreign and security policy. They will do this at a time when the governments of France and Britain have decided to strengthen their military co-operation, including the nuclear element.

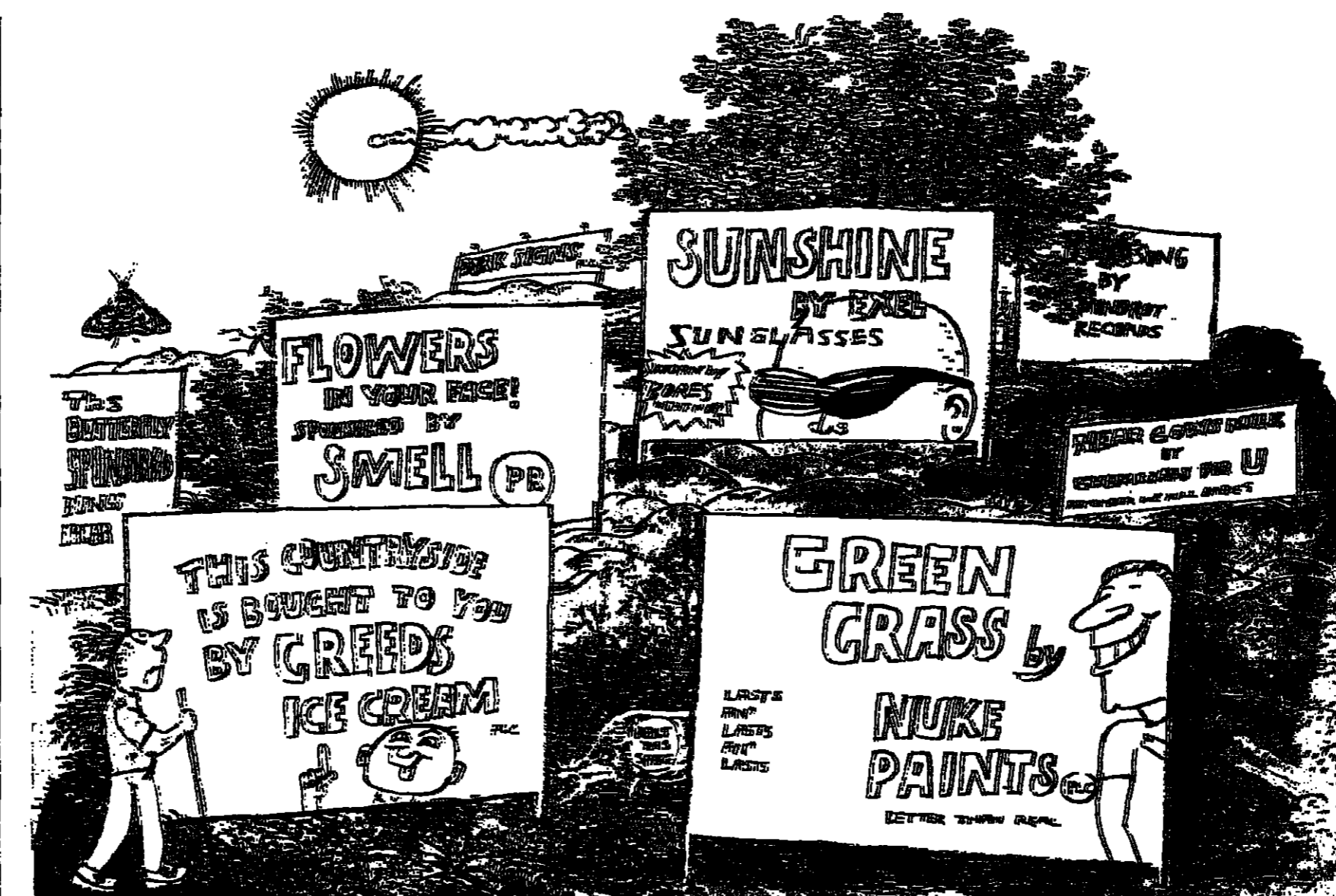
At the same time the recent Nato meeting in Berlin agreed to improve the military intervention capacities of European countries both within and outside Europe. We are very concerned that the European Union is in fact preparing to become the European pillar of the Atlantic Alliance. The current integration of France into the military structures of Nato offers the possibility of the European Union covertly incorporating nuclear weapons into its foreign and security policy.

A modern conception of security and relations between countries in Europe and in the world cannot rely on the doctrine of nuclear "deterrence" and militarisation. The leaders of France and Britain would do better to invest in building peace through conflict prevention.

The dangerous slide to a "Eurobomb" needs to be analysed and debated openly. There is growing concern throughout Europe about this and a determination that we should work for a Europe free of nuclear weapons.

It is vital that those meeting in Florence realise that they cannot keep the door and against the will of the people.

JANET BLOOMFIELD  
Chair, Campaign for Nuclear  
Disarmament UK (London)  
DANIEL DURAND  
National Secretary,  
Mouvement de la Paix  
(Paris)



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### Blair sidles up to Europe

Sir: You choose to leave your readers in no doubt as to the gait of the Leader of the Labour Party as he makes his most recent "Continental progress" ("Blair walks tall into Europe", 19 June). But what did Tony Blair say that was either new or particularly daring? "I have no doubt that Britain's future lies in the EU", and, "We will fight the next election as the party in favour of a constructive relationship within Europe." Well, knock me down with a feather, fighting talk indeed!

The reality is that Mr Blair and the Labour Party have either used Europe as another political stick to beat the Government, as in their conduct during passage of the Maastricht treaty, or bravely kept their heads down, as over the current British non-cooperation farago. Uttering a few sweet lines of prosaic prose in Bonn is not the same as standing up and being counted against the Tory and tabloid anti-European onslaught in Westminster and Wapping.

DAVID WHEELDON  
Eton, Berkshire

### Underfunded operatic glories

Sir: Next time David Lister ("Nice theatre, shame about the play", 14 March) comes to the London Coliseum, he might care to sit in dress circle box number 12. If he lifts the torn, shabby blue upholstery, he will see the original red fabric which was one of the glories of Frank Matcham's

theatre. He would then learn two things. Firstly, English National Opera's plans for the redevelopment of the London Coliseum were inspired by a respect for the splendour of Matcham's 1904 designs. Secondly, he would see one of dozens of examples of many years' lack of investment in the fabric of the building.

If he were then to accompany some of our marvellous and very patient technical staff backstage and observe three or four productions jammed together in a narrow area behind the show currently being performed, he would discover something else. While it is possible to transform the front of house and restore it to its former state, no amount of architectural ingenuity will ever make the theatre a modern state-of-the-art opera house.

Matcham and Sir Oswald Stoll were ingenious in shoe-horning a theatre on to a cramped site, but the ingenuity of ENO over the last quarter century has been stretched almost to breaking point. This is why, in the public interest, the Arts Council Lottery fund granted money to ENO for a feasibility study to compare the very substantial costs of redevelopment and temporary relocation of the company with new-build options which would ensure the provision of affordable high-quality opera and dance well into the 21st century.

DENNIS MARKS  
General Director  
English National Opera  
London WC2

### Waiting for Godeau

Sir: Literary sleuths in search of Godot may have to look a little further back than Bloomsday 1904 ("A French cyclist may reveal the meaning of Godot", 18 June).

In a now long forgotten minor drama of Balzac's which I came across by accident some years ago, dealing with a kind of "promoter" of over-optimistic investments, the worthy bourgeois characters in the assembled cast await the arrival of a certain M Godeau, with whom they have placed their savings.

Godeau is a "preneur" or "faiseur" of sorts in the piece. It is he who will bring them the pot of gold at the end of their expectations. Alas, he never arrives and they wait in vain. I have seen this play referred to as *Mercaderes* but in performance was called *Le Faiseur* I think.

It is quite possible that the phrase "an attendant Godeau/Godot", entered French usage years ago but is now forgotten and that Beckett picked this up on his travels either in Paris or in the provinces. If he said he had no idea where it came from, was he merely being coy or even cryptic? Or had he genuinely forgotten? Or was there another Godot?

Professor MALCOLM WARNER  
London NW1

Sir: While reading John Walsh's article on *Waiting for Godot* (18 June) I evolved a different interpretation. I suspect Godot is actually "go-dot"; that is, go full-stop. The play can then be

paraphrased as: to end their waiting, they need only go "...".

The play is thus about self-determination: while the characters are trapped waiting for some external agent or action (Godot), we see that they could simply move on (go "...").

As evidence of this reading, I note that both acts of the play end with the spoken words: "Yes, let's go," and the stage direction: "They do not move". Beckett said that the play's meaning would be known by those "who manage to read it attentively". Perhaps he was thinking of the punctuation.

GERARD M BLAIR  
E-mail: Gerard@ec.ac.uk

### No Jewish state

Sir: I write with a plea for like-minded Jews to stand up and be counted.

I object to Israel being called "the Jewish State". Any state that is prepared to offer a place in its government to a person such as Arik Sharon ("Netanyahu's first crisis over cabinet line-up", 19 July) has no conception of the fundamental ethos of Judaism.

Tolerance and love is at the heart of the Judaism that was instilled into me. There has been none of those sentiments towards the Arabs, by Sharon. His rhetoric towards gentiles within the occupied lands of Israel is my witness. To associate all Palestinians with murderers like Hamas is the same as associating me with Sharon.

LOUIS JANKEL  
Walton-on-Thames, Surrey

### Victimless sex offences

Sir: The Home Secretary's new proposals to tackle child abuse are muddled and ill-considered ("Abusers who seek work with young face jail", 18 June). They lump together consensual and coercive sex offences, and offences between adults and those involving children.

Not all sex offences cause harm and have victims. Nearly 500 men were found guilty in 1994 of homosexual acts involving consenting adults. In the same year, 200 heterosexual men (many under 21) were convicted of the consensual offence of unlawful sexual intercourse with a girl under 16 (but over 13).

The victimless behaviour of these men cannot be equated, as Michael Howard is proposing, with demonstrably damaging sex crimes like child abuse.

PETER TATCHELL  
London SE1

### How low can sterling sink?

Sir: On the day that I read that the United Kingdom has now sunk to 16th place in the world economic league (18th if Singapore and Hong Kong are also included), my bank tells me that it was no longer advisable to travel to France or Switzerland with sterling travellers' cheques, as banks in both countries will refuse to accept them.

How much farther can we sink?  
JIM WALPOLE  
Birmingham

### Anti-German propaganda

Sir: Abigail Rayner's assertion that "British hostility towards the Germans goes back a long way" (Section Two, 19 June) is, not to put too fine a point on it, utter tosh.

Anti-German sentiment dates, quite precisely, from the First World War and propaganda reports, mostly fictitious, which presented Germans as a brutal and savage enemy. It was at this time and for this reason that our almost entirely German Royals changed their family name from "Saxe-Coburg and Gotha" to "Windsor". Queen Matilda may have been unpopular, but then most foreign royal marriage partners were always unpopular whatever their national origins. Prince Albert was no more unpopular than any other foreign royal and more popular than most. Until Queen Victoria came to the throne a large part of Germany – Hanover – was intimately linked with Britain through a common monarchy and ceased then only because the Elector of Hanover had to be male.

Throughout the 19th century the Germans were popularly referred to as our cousins, much as we talk of the Americans today. German philosophy, German science, German art, German music and yes, even German arms, were admired and respected throughout these islands. Christmas as we now know it is largely a German import.

Indeed, although Germany did not become a unified state until the 1870s, the Germans had been England's traditional ally against the French, who were the focus of English hostility for very many centuries. This is why it was seen to be entirely natural and proper that it should be Prussia who helped Wellington defeat Napoleon at Waterloo.

Finally, to imply that it was the Saxon invaders of post-Roman England who began this enmity is especially absurd, as they remain here to this day; this is why English is a Germanic language. To hate the Germans is to hate ourselves. Maybe we do. Maybe that is our real problem.

JIM MANGLES  
Worham, Norfolk

### Trapped in a handkerchief

Sir: The Bateman wartime cartoon, "Coughs and sneezes spread diseases", used to illustrate the article on a cure for the common cold (18 June), is overdue for revival.

The warning, with the added advice, "Trap the germs by using your handkerchief" was widely used on the London Underground well into the 1950s. Travelling regularly again by tube after a break of more than 40 years, I am struck by the number of passengers who sneeze in crowded trains without any attempt to stem the rocket-like propulsion of germs.

Women seem to have forsaken handkerchiefs completely, sneezing freely and then daintily affecting a light dab to the nose with a piece of tissue the size of a toffee-wrapper. As for men, what has happened to the sensible scarf-sized cotton squares that could be used for a multitude of purposes apart from trapping germs? A surreptitious rub with the back of a forefinger after sneezing is no substitute for trapping.

JOHN GORMAN  
Waltham Abbey,  
Essex

Michael How

# IRA on road to nowhere

The return of violence would be terrorism without a strategy, says David McKittrick

In the wake of an IRA atrocity such as Manchester, the democratic decency seems to dictate that as much as the outrage is directed at Gerry Adams and Sinn Féin as against the IRA. As the public face of republicanism Adams acts as a lightning conductor, attracting the anger and indignation of those who see the destruction, the blood pouring from people's heads, and want to know why he cannot simply stand up and say: "I condemn the IRA for doing that."

He never will. He has already dug deep into his thesaurus recently to say he was shocked and saddened by the bomb and relieved that no one was killed. When an Irish detective was murdered in Limerick this month he described it as completely and utterly wrong and declared: "I repudiate and renounce it."

But he will not use the word "condemn", because in republican terms that word carries a huge emotional charge. For Adams to use it would in effect amount to either a formal proclamation of a split in the republican movement or his effective departure from it.

The justification of hoping for a split is that it would weaken the IRA militarily and politically. But judging from past experience the IRA survives splits, emerging as more militaristic as ever and if anything less subject to political inhibitions. If Adams were to leave the republican movement, he would become in effect a second John Hume, beseeching from the outside rather than working on the inside.

It is difficult for democrats to come to terms with the fact that Adams will not condemn IRA violence, but this is accepted as an unpalatable but unavoidable fact of life by senior security figures. A similar situation arose late in 1993, less than a year before the IRA cessation, when the IRA bomber Thomas Begley killed nine people and himself in the Shankill Road bombing.

The world's outrage at the carnage was redoubled when Adams was pictured carrying Begley's coffin, but senior security sources, then as now, were unsurprised. A high-level security source later said: "Anyone who would castigate Adams



Back to the bad old days: Republican families liked having streets free of soldiers during the ceasefire. The experience gave the ghettos the vision of a way other than the unthinking violence of the old grim war

for carrying the coffin could have no concept of republicanism. If he were involved in a process to turn republicans away from violence, for him to have credibility there wasn't any way he could shun being closely identified with the funeral."

The man who said that has had colleagues and close friends killed by the IRA, was himself for many years on their target list, and may well be again. In private he exhibits the quality that very often distinguishes many security people in Northern Ireland from their political masters in London: a willingness to face facts as they are.

He and other security people

would prefer to have Adams inside the republican tent rather than outside it. They are confident that there is a peace party within that movement. In security circles there is also the firm view that there will be no split – and also, interestingly, a feeling that a split would be an unfortunate development which would not bring peace nearer.

Unusually, this was spelt out publicly last year by the RUC deputy chief constable, Ronnie Flanagan, who said in a BBC interview: "The paramilitary organisations are still intact, but the irony is that they must remain intact. If we are going to have a peace delivered then we can't have people frag-

menting all over the place and engaging unilaterally in violence."

There is therefore a logic in constitutional politicians preserving a relationship with Adams, even at arm's length, as a conduit into republicanism. Those who decide to do so, however, will do so on the basis of judgements that he is working to coax his movement away from terrorism and that he might at some stage succeed.

But at this moment, in the wake of the Manchester and Limerick incidents, the war party is clearly in the ascendant. All of England is now a "legitimate target", it seems, and there is the possibility of a return to violence in Northern Ireland, either from the IRA or the loyalists.

One key question concerns how many in the wider republican movement will be prepared to follow an IRA order to go back to war. There would be no mutiny within the IRA and Sinn Féin would not, as we have seen, be in the business of condemnation. There will be little or no open revolt from the wider republican movement, where the view is widespread that public criticisms of the IRA only give aid and comfort to the enemy, the British.

A number of factors will come into play to ensure a

measure of communal solidarity. These include a generalised sense of loyalty, a widespread feeling in the ghettos that Britain threw away the opportunity of the last ceasefire, and perhaps a fatalistic sense of inevitability. The return of ghettos to the streets, and the assumption of loyalist attacks on Catholic districts, will tend to unify the republican community.

But there is no doubt that a large majority of that community would regard a renewed

dance on the streets: that almost all republicans were shocked when the ceasefire was declared, and that the peace process was tremendously popular among them.

Right through the ceasefire the general republican view was that the British were dragging their feet, that prisoners should have been released and talks opened. Yet, for all this, the process continued to have widespread support. Ghetto families liked streets free of soldiers, liked the lifting of the

those feelings count for anything within republicanism. In contrast to the pragmatism which has characterised Sinn Féin in recent years, the IRA army council appears to think in a formalistic way: a cessation was called to facilitate negotiations; real negotiations were not on offer; therefore it was back to the bombs.

But those in the IRA who believe the conflict can simply be resumed where it was left off are surely wrong. The old war trundled grimly, murderously, on almost out of unthinking habit, the bombings continuing because nobody seemed able to suggest an alternative way. The peace process gave the ghettos a vision of another way. Much will now depend on whether some mechanism exists for those people to register their disapproval of a resumption.

The old war had, in any event, lost much of any logic it ever had – for the simplistic belief that the British would eventually surrender and go home had become unconvincingly threadbare. Today the sense is ingrained that there can be no military victory over the British army.

A community worker in the heart of West Belfast said this week: "One of the absolute truths now is that nobody believes there's an advantage to

war. They might have believed it before, but there's no conviction about it now. They will go along with it out of family ties, history, and so on, but the issue will be how long can you sustain a war if you don't believe in it."

This illustrates the central weakness of the IRA's position. Republicans have become used to participating in politics and the peace process, watching and following a Sinn Féin leadership that radiated a sense of purpose and direction. So far the IRA has set out no strategic vision of how attacks such as Manchester advance the republican cause.

As a result there is much puzzlement in the ghettos as to what the new game-plan could be. The republican movement is not a democratic entity, but the grassroots do expect a clear line of strategy to be laid out. At the moment no such explanation has been given.

At this dark and uncertain time, this in itself offers some glimmer of hope. No one is in any doubt that the IRA could set off more bombs; the issue is whether a campaign could be sustained. The IRA itself may be determined to march backwards into the past, but a movement without a viable philosophy is, in the long run, going nowhere.

**'An absolute truth now is that nobody believes there's an advantage to war'**

war with deep dismay, and contemplate a return to full-scale conflict with the heaviest of hearts. There are many reasons for this.

Until 1994 the IRA waged its terrorist war with the support, fervent or implicit, of the 80,000 people who regularly voted for Sinn Féin. At 10 or 11 per cent of the vote and more than a third of the nationalist vote, this indicated a high level of tolerance for violence.

But the rise in the Sinn Féin vote in last month's election, to 116,000, provided statistical confirmation of what was in evi-

threat of loyalist attacks on their pubs, and liked the freedom to wander into places previously too dangerous to venture into.

They liked Sinn Féin's particular brand of politics, with Gerry Adams shaking hands with Hume, Reynolds, Clinton, Mandela. For all Britain's alleged obduracy, the ceasefire brought to that community a new sense of momentum, of doors opening and horizons widening. This was a stark and welcome contrast to the old days of isolation and exclusion. Now the question is whether

## A substitute in search of a column

Dressed up for a semi-formal lunch, I called on my newsagent on my daily mission to locate some entertaining filth in his tabloids. Kuku looked at me strangely as I offered an opening pleasantries. "Ruth," he enquired gently, "why are you wearing four kinds of glasses?" Upon examination it emerged that over my eyes were sunglasses; on my head were my TV-watching glasses, for just before leaving I had looked at the first few minutes of the news; around my neck were suspended my reading glasses and further down – dangling from a long posh chain – the lorgnette which the tenant of my affections gave me so I could look smart in society and still be able to read menus and notes.

There are some insubordinate rumblings that need to be dealt with firmly. Chris Sladen is the chief offender, with *The chief delectation of summer?* Why – the 'Indy' grows runner and runner!

When Miles goes away, Young Ruth nicks his pay, But we do the work – what a burner!

That's him out of the running for the pink champagne. Ivan Shakespeare had the brass neck to send an invoice for supplying the column with: "She was only a sausage-maker's daughter, but when she was young she was offal but we knew she could be a mad cow."

He demands champagne, "such payment" being According to Custom and Tradition, not to mention the Principle of the Thing, notwithstanding Parsimonious Endeavours on the Part of Recipient (The Opportunist) to Solicit same without Recompense."

Tough: the opportunist makes the rules around here. I refer dissidents to today's ICA postcard, which shows Adam addressing Eve. "Right then – you water the garden, count the animals, get on with the dinner and tidy yourself up... while I eat this apple. And don't forget to feed the snake."



Ruth Dudley Edwards

That gives you the general idea of how I like to conduct relations with elves.

Now I've been giving some thought as to what should happen after Friday. I considered simply refusing to let Miles Kingston back into this space: even with an injunction, it takes ages to remove squatters. However, I admit to being daunted by the notion of continuing to appear five times a week. It's OK for Kingston: he takes the easy route of writing his own column, but I'd have to take on more staff, and I doubt if I'd have the time to cope with the paperwork. As it is, I'm knee-deep in faxes.

Then I toyed with the possibility of arming a few of you with cutlasses and storming someone else's space. Polly Toynbee is an obvious target: you can usually rely on liberals to do a bit of appealing when confronted by force rather than reason. However, bearing in mind that I'm pretty vocal in my opposition to the IRA, I suppose I might be vulnerable to the charge of hypocrisy.

Inspiration came from childhood memories. My mother was a Dublin school-teacher who occasionally, if she wasn't well or wanted to go on a course, would avail herself of the practice of "Putting in a substitute". The principle behind this was that you owned your job, and if you couldn't or wouldn't do it for a time you simply sub-contracted the work as cheaply as possible.

These days teachers avail themselves of newfangled rights like maternity or sick leave, but the principle has not been completely abandoned. There are TDs (Irish MPs) who after many years still have

the right to return to their old teaching jobs if politics turns sour.

So that's the path we will follow, my hearties, and on what's more, that's legit and in keeping with our new editor's enthusiasm for free trade and market forces. I'll offer us as substitutes to jaded *Indy* columnists regardless of their expertise. I have no objection even to the odd visit to the business pages or the sports section: ellpower can tackle anything successfully.

The financial arrangements will be simple: I'll get the cheques from the column owner, and from time to time I'll throw you a bottle of something to fight over. Got that, Shakespeare?

Through diligence and a humble acceptance that virtue is its own reward, Leading Elf William Hazell earns a third mention this week for:

*To go ahead and get Lebed, Vetsin had to scratch off Grachus.*

Miles Kingston is back next week.

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صكنا من الامل

## the commentators

## Michael Howard, leadership contender

He may look shifty on television, but he believes he has a real chance of succeeding John Major

It's Law and Order Week. Opening a Government-arranged debate in the Commons on his sentencing White Paper, Michael Howard yesterday defied his critics among the judiciary, the liberal establishment and the Tory peerage by beginning a new chapter in the party's relentless effort to wrongfoot Jack Straw and the Labour Party on crime.

The Home Secretary's appearance at the dispatch box was calculated to influence, to the advantage of his party and himself, two decisive events still likely to take place in 1997: the general election and the struggle for the party leadership that will follow the Tories' predicted defeat. For Michael Howard sees himself as a serious candidate to succeed John Major.

To propose him as a potential Conservative leader is to invite ridicule within many quarters of the Tory party as well as beyond it. The case against it is formidable. Douglas Hurd said in his wise Commons speech after standing down as Foreign Secretary that such was the modern public distrust of politicians that those who succeeded in the future would be those who least sounded like politicians. Of the available candidates, only Kenneth Clarke begins to fulfil that ideal. Howard is the living antithesis of it: politician rather than statesman in image, he sounds

and looks shifty and untrustworthy on television. He craves the air of a man whose principal conviction is scoring off his opponents. He has failed to reverse the impressive poll lead on law and order built up for Labour by Tony Blair. There aren't many MPs for whom he would be the first choice.

There is also one dreadful reason for the conventional wisdom that Michael Howard won't become leader. The Tory party hasn't opted for a Jewish leader since Disraeli was a rather outstanding one. There is still a lively if unacknowledged vein of anti-Semitism in sections of the Tory party, which is normally only exposed in times of crisis: it helped to do for Leon Brittan, it played a part in the lynch mob that saw off Edwina Currie – and it informed some of the grandees' dislike of David Young. With these handicaps, justified and utterly unjustified, how could Howard succeed?

Let's assume that Tony Blair wins the election, and that John Major ignores any pleas to hang on for a year or so. The leadership campaign that follows will be extraordinary both for the number of candidates and its length. Under the party's new rules, the ballot cannot take place until three months after the opening of the new parliament.

At present the list of plausible can-



DONALD MACINTYRE

## There is still a lively vein of anti-Semitism in the Tory party

didates include, beside Howard, John Redwood, Michael Portillo, Stephen Dorrell, Malcolm Rifkind, Gillian Shephard, Ian Lang, Brian Mawhinney and Kenneth Clarke. That is not counting Michael Heseltine, who one senior minister said this week "absolutely" could not be ruled out, especially if Tony Blair were to secure only a narrow majority – nor a returning Chris Patten.

There is one certainty and one assumption about the contest. The certainty is that the party, after a fresh intake of new MPs who grew up in the

Thatcher years, will ensure another pronounced swing to the right. That is the reason for the subtle positioning of candidates with roots on the left, such as Dorrell and Rifkind. The second is that for the three most prominent right-wingers, Redwood, Portillo and Howard, the first ballot will be a "primary". There is the gruesome prospect that they will therefore compete with each other in extremum on everything from the EU to capital punishment, in which case Howard would probably come off worst. (He no longer believes in hanging, and to his credit says so.) But there will also be a strong countervailing question: who would split the party, and who would have a sporting chance of holding it together?

The argument for Howard goes like this: he has long-term street cred on the right, which Dorrell and Rifkind do not; after Black Wednesday, he saw off in Cabinet an attempt to pledge that Britain would go back into the ERM. He stiffened Major's insistence on the Social Chapter opt-out. But he has also been loyal. He didn't resign and challenge Major, and he didn't allow a bank of telephones to be installed in a safe house before the 1995 leadership contest was anything like over. Moreover, he is part of a generation of Cambridge friends that

crosses the political spectrum. And he has longer experience, at Employment and the Home Office, in tackling Tony Blair head on than any other member of the Cabinet.

He does not yet have a big constituency in the Commons. But some Tories insist that credible figures such as Sir Nicholas Bonsor, David Maclean and Archie Hamilton would back him. So, I suspect, would Tim Collins, a former Howard adviser who, as part of the Major inner circle, could be especially influential with the new intake, of which he will be a part. And in a long campaign they would do their utmost to expose some of the passion and engagement which his supporters point out he displays much more in private than he does in public.

There are lots of reasons why this might not work. They may be old friends, but would Clarke really serve in a Shadow Cabinet that Howard would swiftly commit to opposing a single currency? And is Redwood, who pointedly didn't show up at the Goldsmith-Cash-Aitken beano last week, incapable of broadening his appeal? Won't the party decide that Howard could never win an election and opt instead for a centrist, such as Lang or Shephard? And so on. It may well not happen; but a discreet, long-range campaign is under way.

## It's a book about a model, stupid

INSTRUCTIONS NOT INCLUDED

Paula Hamilton  
Michael Joseph, £15.99

VW model Paula Hamilton

I've just finished reading Paula Hamilton's book *Instructions Not Included*. Why did I continue to turn page after page? Why, when nothing I know or have ever read about Ms Hamilton would indicate she could write anything as fascinating as a shopping list?

It crossed my mind as I picked up the book that its publishers have a good reputation. They're not fools, they don't publish any old thing. They haven't stunted on print and production. Nice quality paper, thoughtfully chosen typeface.

So, you figure, maybe there's a moment of revelation, some extraordinary turning point, a sprinkling of what used to be called wit and wisdom, maybe an insight or two, or even a paragraph of good writing in Ms Hamilton's autobiography that caused an editor to say, "Fantastic. Let's go with it." You read on because sometimes it's great to be proved wrong. I was wrong last night about England's 4-1 win over Holland.

You've never heard of Paula Hamilton? You haven't the faintest idea who she is? As my friend Mr Bywater would say, "She's on the cusp of the zeitgeist. A woman for our time. A creature of the age." Model, actress. Tall, slim, blond, totally self-absorbed, educationally challenged, she has a dysfunctional family, she likes elephants and she's married and dated difficult men. There have been ugly moments with drug and alcohol abuse and more therapy sessions than anyone has a right to know about. In common with our own dear Princess of Wales, she speaks fluent psychobabble.

At the apex of her career she made a three-minute TV commercial for Volkswagen where she threw away her boyfriend's car-keys. This made her incredibly famous and sought after by tabloid journalists and armies of photographers. As she herself puts it poignantly on page 139, "Airlines let it slip when celebrities travel. How else do you think the press know when we fly in and out of the country?"

Interesting about celebrities in the Nineties, isn't it? You don't need to be able to do anything at all and the one thing a celebrity doesn't need is talent. What's that? What also strikes you in a dull, thudding, well-you-come-to-ask-way-about-Paula-Hamilton-is-she-doesn't-seem-to-have-learned-anything, although by the last chapter she's off alcohol, in love and

has had an emotional experience reading Naomi Woolf's *The Beauty Myth*.

Mostly when you read an autobiography you feel something at some point for the writer. This is an unusual book in that, as a reader, you feel nothing. I guess the endless "I suffered major mood swings, I was over-sensitive and hyper-active. I fabricated the truth". "The dope in Mexico was strong, but not strong enough – my feelings of shame, inadequacy and low self-worth started to come up again". "Relationships at the best of times are hard work. I believe great skills are required for a successful relationship". "I felt abandoned, confused, lost and hopeless". "Today as result of all my experiences I have learned to put myself first: that way I am strong for me – therefore strong for you" get to you. You nod off, you get distracted by a passing cat. You consider hoovering for the first time in years. You wonder idly what's happening in publishing.

This is from a serious publisher. Has the tabloid effect crept up like the tide to slowly engulf everything? God, I've just thought. We could be in for a slew of books from the other cusp of *zeitgeist* women. All those women with zero talent and nothing to say. The back of my neck is becoming uncomfortably warm just thinking about it. The life and times of Tamara Beckwith, Kate Moss, Anthea Turner, Ulrika Johnson, Gaby Roslin, Tara Parker Tomkinson, Tania Bryer. There's hundreds of them. Indistinguishable. Listen I shan't say more. But if you've got £15.99 going spare, go and buy one or two of Stevie Davies books. They're in paperback, published by the Women's Press, and the woman writes like a dream. If you're mad about good books, you're going to be hopping mad if anyone persuades you to plough through *Instructions Not Included*. Trust me. Don't.

MARCEL d'ARGY SMITH

Despite the impersonality of much modern painting, we still want the authentic hand of genius

## Beware: it's mad art disease



BRYAN APPELEYARD

Early in the 18th century an art collector called, poignantly enough, Mr Hope, burned what may have been a very great painting by Rembrandt. Hope's picture was on mahogany and he had been told, on good authority, that the Dutch master never used that particular wood. In disgust he destroyed the painting. Subsequent scholarship has revealed that Rembrandt was, in fact, the first painter to use mahogany.

What we know, or think we know, determines what we see. Poor Mr Hope's picture became, in his eyes, a worthless, daubed hunk of wood once he had been told it was not a Rembrandt. Yet it may have been, as other Rembrandts are, one of the great works of the human imagination. There is a fine line between ecstasy and despair and the line is knowledge.

Or take Van Meegeren, the greatest art forger of them all, who fooled the finest experts of his day. He spotted a gap in the Vermeer catalogue and duly filled it. Oddly, however, his fakes would fool nobody today because they are so obviously of their time. For one thing his Mary Magdalene, indeed all his women and even his Christ, bear a striking resemblance to Marlene Dietrich. That was the ideal of ethereal beauty at the time, so that is what people expected and that is what he gave them. A new Van Meegeren would, perhaps, have to paint a Madonna that looked like, well, Madonna.

And now we are in the midst of a whole rash of stories of new art errors. The Tate Gallery archives have been tampered with to provide false provenance for fake paintings by Ben Nicholson and sculptures by Giacometti. A picture in the National Portrait Gallery which Sir Roy Strong insisted was of Lady Jane Grey is said to be false. And a National Gallery Rubens – *Samson and Delilah* – may have been knocked off by the young Jacob Jordaens.

The art world shudders. The Tate affair, in particular, has caused a mute, embarrassed closing of ranks. Anybody who has bought a Nicholson in the past six years, like anybody who



ate bovine spinal cords in the Eighties, is at risk. Mad Art Disease is on the loose. How many paintings will have to be culled to allay consumer fears?

The primary force at work here is the immense value attached to things we call works of art. The visual arts, unlike any other, depend on specific material objects. We need to know that this is the very paint applied by Rembrandt or Vermeer. A photograph, a copy or a fake is as nothing. The prices are lifted into the millions by the assurance that what is for sale is the direct imprint of genius.

That assurance is provided by expertise. Stupid ages – and we are most definitely one of those – will define that expertise by its quick fixes, its gimmickry. Mr Hope destroyed his probable Rembrandt because some plausible expert came up with an instant test that happened to be completely wrong. And now the experts are going on about wood again. They say they can confirm or deny the National's Rubens by dendrochronology – counting the tree rings in the panel on which it was painted. Maybe they can. But remember, Snake Oil is always being sold, usually by much the same people. True expertise involves a more

subtle, cultivated assessment. Technical fixes can be proved wrong in time, honest evaluations can only be modified by experience. And what the scholar knows does not involve treerings, it involves a sense of the entire history of art.

But even this sense is useless when we come to Ben Nicholson. For Nicholson was a modernist and the point about modernism is that it deliberately severed the artistic tradition that defined and placed each artist. In the high modernist works of Marcel Duchamp and Andy Warhol, for example, the identity of the maker is deliberately suppressed. So now you do not know you have got a Nicholson because some expert has looked at the painting. The painting itself is too simple, too free of the identifying techniques of the Old Masters. You know only because of the provenance, the documentation that establishes a true line back to the artist's hand.

This is not to denigrate these painters. I remain convinced that Warhol was a great artist. But it does reveal a crucial change in the status of the hand of genius. How, for example, would you fake a Warhol Marilyn Monroe? Every Warhol is, in some sense, fake because he delib-

erately employed industrial techniques and materials to suppress the idea of the unique creator.

The problem is that the art world cannot live with Warhol's ego suppression. There would be nothing left to sell if they took him at his word. My Marilyn or yours would be as valuable as his, the imprint of genius would be a worthless technicality. To avoid this financially catastrophic state of affairs, documentation of paintings has become crucial, the one way of showing this coloured surface is worth more than that because this was touched by the artist himself. So the culturally *au fait* fraudsters who used the Tate got their priorities right. They first fixed the archive, then they painted the pictures.

But I think there is more to this urge for authenticity than simply the dealer's commission. There is a real longing to discover something holy, something magical in material things. Old Master paintings are probably the only objects that our whole secular society regards as sacred. Resplendent and usually over-restored in their galleries, they celebrate a connection to a tradition and set of values. They seem to mean everything to everybody.

The impersonality, the simplicity of

much of modernism was an affront to this idealism. It inspired some artists, notably Jackson Pollock, to work furiously against the impersonal grain by painting pictures whose whole essence was defined by the absolute physical presence of the artist. And it has now created the bizarre state of affairs in which artists – say, Damien Hirst or Julian Schnabel – who, though every bit as impersonal as Warhol or Duchamp, take on the highly personalised role of romantic artist for an art world in which the aesthetic of impersonality is highly valued but is obliged to co-exist with the cult of personality, the yearning, financial and spiritual, for the presence of the authentic hand of genius.

This is a very contemporary contradiction. We want authenticity but we also want the convenience, simplicity and clear, strong meanings of the mass-produced. Sir Roy Strong's identification of *Lady Jane Grey* would, I would guess, have sold a lot of postcards. This was, for a while, the real Lady Jane and you could buy her picture, as clear as any photograph. But it wasn't and you couldn't. And, meanwhile, *Samson and Delilah* may not be Rubens. Knowledge, as Mr Hope found out, changes everything. Except, perhaps, the need to know.

## Dr Carey's pilgrimage of peace

The Archbishop's trip to Rome will help to smooth ructions between the churches, says Andrew Brown

Heigh ho, heigh ho, it's off to Rome we go! The Archbishop of Canterbury, Dr George Carey, is to pay his first official visit to the Vatican in December.

One wonders why he bothers. There are, in fact, good reasons for him to go, but they have nothing to do with any hope of union between the Roman Catholic Church and the Anglican Communion. These have been comprehensively shattered over the past 10 years, and one of the first and most decisive blows was struck the last time an Archbishop of Canterbury paid a formal visit to the Holy See, in 1989.

In an extraordinary sermon from the pulpit of the church from which St Augustine had set off in AD597 to convert Britain, the Pope made it clear

that so far as he was concerned, any future Archbishop of Canterbury returning to that church should also be returning to obedience to Rome. The Archbishop thus rebuked was Dr Robert Runcie, who had received Pope John Paul II in a historic ceremony in Canterbury Cathedral in 1982, the first time a Pope had ever visited Britain.

The particular point disputed between the two men was the ordination of women which, as head of the Anglican Communion, Dr Runcie was obliged to defend. But this was only an instance of the general tendency that constitutes, to the mind of Pope John Paul II, the underlying obstacle to Christian unity – the tendency of other Christians to disagree with him. Christian unity has long been a pre-

occupation of this Pope; and the more deeply he has considered the subject, the more clearly he has come to understand that the key problem is the refusal of other churches to acknowledge the authority of his office.

## The Anglican Communion stands as a model for unity

Last year, he issued an impassioned encyclical, *Ut Unum Sint*, which was widely interpreted as an appeal for unity between the Roman Catholic and Orthodox churches by the millennium, especially by people who had

not read it. It did contain these passionate, pious hopes, but it also contained an unequivocal declaration that the authority of the papacy in any united church would cover every important aspect of Christian practice and belief.

In a similar, though less dogmatic, vein, Dr Carey has been explaining on a recent tour of America, how the Anglican Communion, the loose agglomeration of 70 million Christians worldwide which he heads, can by its disagreements over every important aspect of Christian practice and belief stand as a model for unity to the world.

The fall-out from the Church of England's decision to ordain women in 1992 was so bitter and prolonged that when Dr Carey last visited the

Pope, in 1992, this was formally part of a visit to the Italian Catholic church and not to the Vatican. Even then the Archbishop let it be known on the eve of his visit that he would upbraid the Pope for his reactionary beliefs about contraception.

For 30 years, it seemed as if the tide in interchurch relations was bringing the two communions closer. Now that tide has clearly turned. The ructions over the ordination of women have brought home to ordinary members of both churches just how much they disagree with each other.

This disagreement is friendlier, perhaps, than it was. It is also better informed. Dr Carey's visit is not going to bring about an outburst of unity, but it may be necessary to keep visible disunity under control.

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# Sir Maitland Mackie

Maitland Mackie was the eldest of the three remarkable sons of Dr Maitland Mackie, a farmer in Aberdeenshire. His younger brother was John (later Lord) Mackie, MP for Enfield, Parliamentary Secretary to the Ministry of Agriculture in the Wilson government and later Chairman of the Forestry Commission. His youngest brother, George, Lord Mackie of Benshie, is a Liberal spokesman and for 20 years was chairman of Calhoun Glass, and much else.

The Mackie family are tremendous innovators and Maitland was their patriarch. Last year there was a gathering of 165 of the 203 direct descendants of his grandfather at the Mackie home at Westertown. Maitland himself was an innovator in excelsis, in not one but two different spheres - agriculture and education.

He was the first Scottish farmer to make silage and pioneered techniques for its storage. He was the first to develop house housing for dairy cows and the first man north of the Tay to acquire a combine harvester. As a governor of the High School of Agriculture, he was a driving force in promoting experiments to increase agricultural output in inclement conditions and harsh climates.



Mackie: a lucky chap

His lifelong involvement with the Rowett Research Institute helped to produce resources for distinguished research on wool and other products.

From 1965 to 1982 Mackie was chairman of the Aberdeen District Milk Marketing Board, had an influence in the development of that board's activities throughout Britain. His interest in the proper marketing of milk may have arisen from his own experience as a teenager of knocking doors in Aberdeen and Huntly in order to get regular customers.

Mackie was also an educational innovator. In 1961 he spent a fortnight on board the ship school *Dunrobin* on an educational cruise to Bergen, Oslo, Copenhagen, Hamburg and Amsterdam when I was director of studies on the British India ship. Late into the night he would discuss ways in which ever more mature 14- and 15-year-old pupils could fill the last year of school and staying on could be made worthwhile. Work experience in the embryo North Sea oil industry on-shore, farm life for urban youngsters, courses in building techniques - all these ideas and more flowed from Mackie's fertile mind and were implemented at the behest of the education committee of which he was chairman.

He was not only an ideas man but a doer. I asked him during a very uncomfortable voyage across the North Sea to address 700 children, many of whom were seasick, on farming. He turned out to be a spellbinder.

His 15 years as chairman of the Aberdeenshire Education Committee were marred but not blighted in the end by a terrible long-running row which the Scottish and the national press simply could not resist. Mackie's farm was supposedly identified as being the source of dirty milk which had been given to schoolchildren in their morning break. This was pretty scurrilous stuff. In the event, after lots of mud had stuck, it became clear that Mackie and his farm were innocent.

Maitland Mackie was born on the family farm at North Ythie, Tarves, in Aberdeenshire, still in the possession of his family. After Aberdeen Grammar School he graduated BSc in Agriculture at Aberdeen University, where his inspiration was the famous Sir John Boyd Orr, an international inspiration for many of those who were to work in Rome and elsewhere for the Food and Agricultural Organisation. Mackie farmed at Westertown, Rothiemoriston.

In 1935 he married Isobel Ross, a teacher in the village of Daviot, and was able to celebrate his silver wedding after an outstandingly happy marriage before she died in 1960. In 1963 he embarked on a second outstandingly happy marriage with the Texan Pauline Turner, who died three years ago. In his autobiography, *A Lucky Chap* (1993), written in conjunction with his nephew, the author and journalist Charlie Allen, he describes moving what a vital part these two thoroughly nice women played in his life.

He was first elected a member of Aberdeenshire County Council in 1951 and remained until the establishment of Grampian Regional Council in 1975. He was the first chairman of the North East of Scotland Development Authority from 1969 to 1975. I think that the parties which he and Pauline threw for oil industry dignitaries had a great deal to do with the fact that Aberdeen and not Dundee became the capital of the British North Sea oil industry. His public interests were wide-ranging and he was a very influential member, along with Menzies Campbell QC, now MP, of the Committee on the Scottish Licensing Law under the chairmanship of Dr Christopher Clayton which reported in August 1973. I am told that Mackie was chiefly responsible for the recommendation that the seller's criminal responsibility should extend to taking due care to ensure that no sale is made to a person under 18 or that liquor is not consumed by such a person in a bar.

Tom Dallyell

**Maitland Mackie, farmer, politician and educationist: born North Ythie, Aberdeenshire 16 February 1912; CBE 1965; Lord-Lieutenant of Aberdeenshire 1975-87; K1982; married 1935 Isobel Ross (died 1960); two sons, four daughters; 1963 Pauline Turner (died 1993); died Westertown, Aberdeenshire 18 June 1996.**



Scene-stealing: Van Fleet in the role for which she won an Oscar, as James Dean's mother in *East of Eden*, 1955

Photograph: Ronald Grant Archive

## Jo Van Fleet

Jo Van Fleet was a powerful actress, described by Elia Kazan as "full of unconstrained violence", who frequently played roles older than herself. She won an Oscar for her first film role, as James Dean's mother in *East of Eden* (1955). On both stage and screen she created a gallery of stoic, fiercely dominant women, many of them proud or manipulative mothers.

Born in 1919 in Oakland, California, she was educated at the College of the Pacific in Stockton. Encouraged to go to New York to pursue an acting career, she won a scholarship to study at the Neighborhood Playhouse under Sanford Meisner. She made her Broadway debut as Dorcas in *A Winter's Tale* (1946) and played Regan to Louis Calhern's King Lear in 1950. Elia Kazan, whom she later credited as a major influence on her life, first directed her in *Flight into Egypt* (1952), but it was her role as Camille in Tennessee Williams's controversial *Camino Real* (1953),

also directed by Kazan, that established her.

Kazan brought her to Hollywood for *East of Eden*, and her success led to other films - *The Rose Tattoo* (1955), *The Cry To Morn* (1955), as an archetypal stage mother, pushing daughter Lillian Roth (Susan Hayward) to stardom, *The King and Four Queens* (1956) with Clark Gable, and as Doc Holliday's girlfriend Kate in *Gunfight at the OK Corral* (1957). Holliday was played by Kirk Douglas, who later recounted his amazement at Van Fleet's method approach: "In one scene I had to beat up a bookie girlfriend. Jo wanted to be pumped up and asked me to slap her before we did the scene. We did it over and over and every time she asked me to hit her, and hit her harder."

Returning to Broadway, she won both the Tony and Donaldson awards for her irritable Jessie Mae Watts in *A Trip to Broadway* (1957), and the following year won the New York

Drama Critics Award for *Look Homeward, Angel*, in which she played the acquisitive mother of Tony Perkins, who later described the scene-stealing battles in the play. "The worst duel I figured in was between Jo Van Fleet and Hugh Griffith... it was always hair-tearing time between them. Hugh would clutch his heart and say, 'Do you know what that \*\*\*\* did to me today? Her knuckles would turn white when she'd did the same thing about me.'"

She returned to the screen to star with Montgomery Clift and Lee Remick in Kazan's *Wild River* (1960) as the obdurate 89-year-old matriarch who refuses to leave her farm in a valley about to be flooded by the Tennessee Valley Authority in 1935. Only 41, Van Fleet would spend five hours every morning getting into her make-up and applying wrinkles, insisting that the liver spots were put on her hands even for long shots where they would not be seen. The final wordless scene, in which she

sits on the porch of the small townhouse she has been given, her bundled possessions still in her lap, her spirit and will to live gone, was profoundly moving. A commercial failure given limited distribution, the film was later described by Truffaut as "the accomplished work of mature artists".

Though she continued to act in theatre, film and television (including episodes of *Bonanza* and - as a nagging wife who becomes a murder victim - in *Alfred Hitchcock Presents*), Van Fleet's career did not progress as rewarding as she hoped. Kazan said: "Jo stagnated, and since she knew it, was bitter. And as she became bitter, she became more difficult."

When Bette Davis turned down the role of Paul Newman's mother in *Cool Hand Luke* (1967) because it was too small, Van Fleet took the role. In the 1970s she worked a lot in regional theatre. She played mothers again in two television movies, *The Family Rice* (1972,

mother to Ben Gazzara) and *Power* (1980), a thinly disguised biography of Jimmy Hoffa in which she was mother to Jo Don Baker's dock-worker turned labour leader. Her last film was *Seize the Day* (1986), based on Saul Bellow's novella, in which she was one of several notable actors playing small guest roles in support of Robin Williams.

Widowed in 1990 (her husband was the dancer-choreographer William Bales), Van Fleet lived on New York's West Side, where she became known for her unconventional behaviour. Legend has it that when asked by the check-out assistant in the local supermarket for some form of identification, she unzipped her handbag and pulled out her Oscar.

Tom Vulliamy

**Jo Van Fleet, actress: born Oakland, California 30 December 1919; married William Bales (died 1990; one son); died 10 June 1996.**

## David Mourao-Ferreira

David Mourao-Ferreira, one of Portugal's foremost literary figures, was born one year after the May 1926 military coup that brought the nationalist Salazar regime to power, a fact that would have a considerable influence in his upbringing.

The son of a historian, who chose his best friend, the philosopher Antonio Sergio, an eminent opponent of the regime, for a godfather, Mourao-Ferreira grew up imbued with the liberal tradition that was to be one of the distinguishing marks of his prolific career, both as a novelist and poet, as well as an essayist, book reviewer and professor of literature and, after the regime's collapse in 1974, a secretary of state for culture in successive democratic governments.

He began his fecund career while still a literature student in the late 1940s, writing essays, fiction and poetry, often inspired from being a mere contributor to becoming an associate editor of such prestigious magazines as *Seara Nova*, or a co-founder of others, including *Tavola Redonda* ("Round Table"), during decades in which one of the most difficult demands on Portuguese creative imagination



Mourao-Ferreira: non-conformist

was the skill to voice coded criticisms or messages of democratic hope past the regime's Boards of Censors.

In 1950 he published his first novel, *Secreto Viagem* ("Secret Voyage"), with modest success, and from then on published at irregular intervals. In his principal books, *Gaiolas em Terra* ("Seagulls on Land", 1959) and *Hospital de Lenda* ("Literary Hospital", 1966), he emerged openly as an opponent of the regime, both as an eminent member of the committee which campaigned for the presidential candidacy of General Humberto Delgado against Salazar's own candidate in the

1959 elections, as well as amongst those who protested against the regime's upholding the gruesome assassination of the then exiled General Delgado by state police agents six years later.

In other ways too, the creative writer and editor, and professor of literature, who never used a typewriter let alone a word-processor, but wrote in longhand, while smoking a pipe and drinking strong coffee, was not merely a "man of letters" in the elitist sense of the word.

He became one of the most popular lyricists for the *fado* - the mournful and fatalistic mode of song, of partly Moorish origin, which has a long tradition in Portugal. This lyrical writing was the basis of his lifelong friendship with Amalia Rodrigues, one of the foremost proponents of the *fado* and perhaps the only one who gave it some international projection both in films and concert tours.

Now in her well-preserved seventies, Amalia, as she is known throughout Portugal, was for many years a classical sex-symbol for the Portuguese. Mourao-Ferreira, as evidenced in his books, celebrated woman and feminine erotic allure as

much as individual women in his life. The inherent sensuality and stoicism which were so much a part of both his work and Amalia's career made of them archetypal representatives of *liberdade* culture - the bold, defiant and risqué culture that emanates from Lisbon towards staid provincial traditions.

Despite his non-conformist stance he nevertheless also gained popularity during the regime, and after, as a presenter of literary television programmes. Some of his most important prize-winning books, notably *As quatro estacoes* ("The Four Seasons", 1980), and *Um amor feliz* ("A Happy Love", 1986), which won all the Portuguese literary prizes in its year of publication, where he disguises himself in one of the protagonists, were published after the restoration of democracy and the decolonisation of the centuries-old empire which even in its last form comprised an area some 22 times bigger than Portugal itself.

It was after the April 1974 revolutionary coup that, calling on his capital of popularity and intellectual credibility, he hard-pressed new provisional revo-

lutionary governments called upon him to take up the sensitive post of secretary of state for culture.

In his first tenure of office, at a time when domestic inter-party turmoil and the impact of summary decolonisation made Portugal appear like a "lunatic asylum under self-management" he did not do too well. And even after subsequent re-appointments in later democratic governments, albeit for different reasons, he was to describe his total of 32 months in public office as the "most frustrating and consuming" of his life.

Last November, despite or because of his determined fight against cancer, he persisted in coming to London to attend the exams for a PhD in Portuguese literature at King's College London. To those who heard his address on another Portuguese poet, Camilo Pessanha, with whose fatalism he strongly identified, he seemed to be giving his own heartfelt farewell to life.

Antonio de Figueiredo

**David Mourao-Ferreira, writer: born Lisbon 21 February 1927; twice married (one son, one daughter); died Lisbon 16 June 1996.**

## Professor Stuart Wilson

Stuart Wilson was a man of great energy and strength of character, and a powerful force in economics in his generation. He occupied the Chair of Economics at Hull University for almost a quarter of a century. His interests were money and banking, especially Commonwealth banking.

Wilson's early life was spent in Australia, where, after graduating from the University of Western Australia in Perth, he taught at the Universities of Tasmania and Sydney, and later at University College Canberra. The English-born economist Professor A.G.B. Fisher who was teaching in Perth had stimulated Wilson's interests in European banking and in 1947 he came to England, and for almost 50 years developed his career, first at the London School of Economics and later at Hull. Except for visits, he never returned to live in Australia, although he never lost his Australian accent, or indeed his Australian characteristics and sense of humour.

At LSE he worked with the monetary economist R.S. Sayers, as well as with Lord Robbins, Frank Bailey and Sir Arnold Plant, and was promoted to Reader in Economics in 1950. These years at LSE were to influence his thinking for the rest of his life. In 1959 he moved to the Chair at Hull following G.C. Allen and Lord Roll of Ipsden, and he remained in this redbrick university until his retirement in 1982.

All Wilson's life he was a prodigious publisher of articles and books on money and banking. His major works include *Monetary Policy and the Development of Money Markets* (1966), *London Money Markets* (1976), *Banking Policy and Structure* (1986) and *Money Markets, an International Perspective* (1993).

Following the Robbins Report, all universities saw growth in the 1960s and 1970s, and Wilson took advantage of the times to ensure that Hull got its share of promising young economists and of new buildings. The Department of Economics and Commerce, as it then was, was a broad church, and from Economics sprung the Departments of Politics, Economic History, Accounting and Management.

One achievement of which Wilson was justifiably proud was obtaining funds from the Hayter Foundation (founded by Sir Richard Hayter to promote Asian studies) to set up the Centre for South East Asian Studies, of which he was the first chairman; this led to his becoming a governor of the School of Oriental and African Studies in London, with which he had a 40-year relationship. Another of his links was with the Bank of Japan which for over 30 years sent Japanese students to Hull, and in recent years the bank was one of the main sponsors of the annual Wilson Lecture on Banking.

Wilson was a great correspondent and a great traveller. In later years he continued to give seminars and papers in many countries, but especially in Japan and South East Asia, for which he felt a special affection.

Colin Johnson

**John Stuart Gladstone Wilson, economist: born Melbourne 18 August 1916; Professor of Economics, Hull University 1959-82 (Emeritus); married 1943 Beryl Gibson; died Hull 5 June 1996.**

## Births, Marriages & Deaths

### DEATHS

**ADAMS:** On 15 June 1996, Hilda Margaret, calligrapher and illuminator, of Col House, Upper Colwall, Herefordshire, widow of the late Harry Adams. Much loved. Requiem Mass at Church of the Most Holy Trinity, New Street, Leobury, Herefordshire, on Monday 24 June at 11am. No flowers please.

**TAYLOR:** Maria, author of *Leds*, aged 39, on 16 June, after a difficult struggle with illness. Funeral on 24 June at noon at Putney Vale Crematorium, SW15. No flowers, please. Donations to Broderick Ward Fund, Middlesex Hospital, W1N 6AA.

**TOMLINSON:** Suddenly on 15 June 1996 in London, Isabel Hilary Grace Tomlinson (nee Peter), formerly of Lancashire, Cornwall, Funeral service at St Jude's Church, Courtfield Gardens, SW5 on Friday 28 June at 2pm followed by cremation. No flowers please. Donations if desired to MIND. Enquiries to Chelsea Funeral Directors, 0171-352 0008.

**WOOLES:** Harold William, born 12 July 1927, died 19 June 1996.

### IN MEMORIAM

**BROUGHTON:** Sandy. Happy days. Love and miss you, Mark.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Menus, etc.) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5UL, telephone 0171-233 2011 or faxed to 0171-233 0101, and are charged at £6.50 a line (VAT excl).

### Forthcoming marriages

**Mr R. Westwood and Miss G. L. Malpas**  
The engagement is announced between Robin, elder son of Mr and Mrs David Westwood, of Pimlico, London, and Georgina, daughter of Mr and Mrs John Malpas, of Camden Town, London.

### Birthdays

The Duchess of Gloucester, 50; Professor William Balchin, geographer, 50; Sir Brian Barber, former High Commissioner to Australia, 62; Professor Arthur Bell, former director, Royal Botanic Gardens, Kew, 70; Lord Brightman, former Judge of Appeal, 85; Dame Catherine Cookson, novelist, 90; Miss Wendy Craig, actress, 62; The Earl of Cranbrook, chairman, English Nature, 63; Brigadier Jill Field, former director, Army Nursing Services, 62; Mr Stephen Frears, film director, 55; Mr David French, director, Reliance, 49; Mr Ronald Hines, actor, 67; Mr Richard Hornby, former chairman, Halifax Building Society, 74; Sir Westwood Hulse Bt, barrister, 74; Sir Alan Lamb, cricketer, 42; Mr Stanley Metcalfe, former chairman, Rankin & Hovis McDougall, 64; Sir David Mitchell MP, 68; Mr Johnny Morris, broadcaster, 80; Sir Antony Pilkington, former chairman, Pilkington plc, 61; Mr Paul Ramirez, tennis player, 43; Mr Lionel Richie, singer and songwriter, 47; Mr Budge Rogers, rugby player, 57; Professor Sir Richard Southwood, zoologist, and Pro Vice-Chancellor, Oxford University, 65; Mr John Taylor, rock musician, 36; Miss Claire Tummelin, writer, 63; Sir Haydn Tudor Evans, former High Court judge, 76; The

Right Rev John Weale, Bishop of Chelmsford, 66; Mr Brian Wilson, rock singer and composer, 55.

### Anniversaries

**Births:** Dr George Hickey, theologian, 1647; Jacques Offenbach (Jakob Levy Eberst), composer, 1819; George Edmund Street, architect, 1824; Leon-Joseph-Florentin Bonnat, painter, 1833; Enno Flynn, actor, 1909; Deaths: Willem Barents, explorer, in the Arctic, 1597; Jules-Aimé Huot de Goucourt, writer, 1870; Francisco (Pancho) Villa (Donato Arango), South American revolutionary, assassinated 1923. On this day: the first municipal fire brigade in Britain was founded at Beverley, Yorkshire, 1726; the Oath of the 'Tennis Court' (French Revolution) was made by the French National Assembly, 1789; the paddle-wheel steamer *Savannah* arrived at Liverpool under sail, the first steamship to cross the Atlantic, 1819; Queen Victoria ascended the throne, 1837; a new Day Railway Bridge was opened for public traffic, 1887; the first trolley-bus service in Britain was opened in Leeds, 1911; greyhound racing was commenced at the White City, London, 1927. Today is the Feast Day of St Adalbert of Magdeburg, St Balin or Baganus, St Goban, Saints John Fenwick and John Gavan, St Severinus, Pope.

### Lectures

National Gallery: Alexander Sturge, "Late Greats (iii): late Renoir", 1pm.  
Victoria and Albert Museum: Frances Collard, "William Morris Furniture", 2.30pm.  
Tate Gallery: Mike O'Mahony, "A Study of Time and Motion: the im-

past of technology in early modern art", 1pm.  
National Portrait Gallery: Professor John Mackenzie, "Livingstone: myth and reputation", 1.15pm.

### Luncheons

English-Speaking Union  
Mr Michael Shea was the speaker at an English-Speaking Union Literary Luncheon held yesterday at Dartmouth House, London W1, and spoke on his new book *The British Ambassador and To Live Abroad*. Mrs Valerie Mitchell, Director-Chairman of the Union, received the guests. Sir Peter Marshall was in the chair. Mrs Betty Hollas also spoke.

### Dinners

Foreign and Commonwealth Office  
Mr Malcolm Rifkind QC MP, Secretary of State for Foreign and Commonwealth Affairs, held a dinner yesterday evening at 1 Carlton Gardens, London SW1, in honour of Mr Glafcos Clerides, President of Cyprus.

### ROYAL ENGAGEMENTS

The Duke of Kent presents Long Service Awards to the Commanding Officers, Medway, Kent; visits the Pacific Crest Trust Mobile Eye-Screening Service, at the Harrogate General Practitioner Centre, Harrogate, Kent; and attends an evening of celebration and opera, given by the Royal Opera House, Covent Garden, London, in aid of the Woodlands Hospital Day Care Centre, Harrogate, Harrogate, Yorkshire.

Changing of the Guard  
The Household Cavalry Band, mounted on the Queen's Life Guard at Horse Guards, 11am. In Burial Vault Guards mount the Queen's Guard, at Buckingham Palace, 11.30am. Band provided by the Coldstream Guards.

## Fresh inquest into soldier's death refused

Re Kelly (deceased); Queen's Bench Divisional Court (Lord Justice Pill, Mr Justice Newman) 14 June 1996

### LAW REPORT

20 June 1996

& Collicut, Northampton) for Major Carruthers.

The emergence of new evidence after the conclusion of an inquest, even if it was available and could have been disclosed to the coroner at the time, was not of itself determinative of the question whether the court should order another inquest.

The Queen's Bench Divisional Court refused an application by Sir Montague Levine, HM Coroner for Inner South District Greater London, to quash the inquest held by him and a jury between 9 and 16 January 1995 into the death of a second-in-command. On 4 January 1995 Major Kennedy supplied a statement to the Ministry of Defence but council who appeared for the Ministry at the inquest did not disclose it to the coroner. Had the statement been made available, the coroner argued, he would have called Major Kennedy to give evidence, and his absence from the inquest was a serious deficiency.

Jan Barnes (Barnes) for the coroner; Philip Haines QC and Keith Morton, neither of whom appeared at the inquest (Treasury Solicitor for the MoD); Sydney Jackson (Teller Hales

whether by reason of fraud, rejection of evidence, irregularity of proceedings, insufficiency of inquiry, the discovery of new facts or evidence or otherwise it is necessary or desirable in the interests of justice that another inquest should be held.

It was submitted that another inquest should be held because new evidence had subsequently come to the attention of the coroner, namely that which could have been given by Major Peter Kennedy, a company commander in 3 Para. He had left the battalion and Kenya a week before the fatal wounding, after disagreements with Major Carruthers, battalion second-in-command. On 4 January 1995 Major Kennedy supplied a statement to the Ministry of Defence but council who appeared for the Ministry at the inquest did not disclose it to the coroner. Had the statement been made available, the coroner argued, he would have called Major Kennedy to give evidence, and his absence from the inquest was a serious deficiency.

By section 13 of the Coroners Act 1988, the court may order another inquest where satisfied that

whether by reason of fraud, rejection of evidence, irregularity of proceedings, insufficiency of inquiry, the discovery of new facts or evidence or otherwise it is necessary or desirable in the interests of justice that another inquest should be held.

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other inquest. The emergence of fresh evidence, and the coroner's wish to conduct further investigation, did not relieve the court of its responsibility to keep in mind the public interest involved and the purposes served by an inquest as a fact-finding exercise and not a method of apportioning guilt or a general public inquiry into the Army's safety procedures.

The coroner conducted a full, fair and of course fearless investigation into how the deceased came by his death. He called many witnesses from colonel to private soldier and conducted and permitted detailed questioning both on safety procedures in general and the facts immediately surrounding the shooting. In that context, Major Kennedy's statements in general and the practices followed by 3 Para during the period before the relevant exercise did not merit another inquest. Though the issue of body armour required separate treatment, the same considerations applied.

For these and other reasons the court was not persuaded that another inquest was either necessary or desirable in the public interest.

Paul Magrath, Barrister

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# SIB carpeted trader five years ago

PETER RODGERS  
Financial Editor

The Sumitomo executive at the centre of the £1.2bn copper scandal was interviewed by Britain's top financial watchdog, the Securities and Investments Board, nearly five years after complaints he had attempted to falsify trading documents.

But explanations offered by Sumitomo and its rogue trader, Yasuo Hamanaka, appear to have been accepted, and Mr Hamanaka continued to trade until last month.

His face-to-face session with top British regulators emerged as SIB announced a wide-ranging six-month review of the London Metal Exchange and the wider metals markets, which Sir Andrew Large, SIB chairman, said he would publish.

The review is certain to lead to reform of the LME. One option could be to give member firms legal responsibility for ensuring honest behaviour by their clients. There is also likely to be an attempt to tighten controls of the huge over-the-counter copper market outside the LME.

David King, chief executive of the LME, placed the blame for the copper scandal firmly on Sumitomo Corporation. Sir Andrew said it was an example of the damaging impact of "non-member, non-regulated firms".

Mr King said: "We are talking about lack of internal controls and management supervision of a big corporation on the other side of the world which is not in our jurisdiction, and a problem that has been going on for 10 years under their noses."

Mr King confirmed that in 1991 David Threlkeld - who then ran a metals business in London - sent him documentary evidence that Mr Hamanaka



Heavy metal: Traders at the London Metal Exchange which is to undergo an extensive and wide-ranging six-month review by the SIB

Photograph: Brian Harris

had requested confirmation of a number of big copper trades that had never taken place. Mr King said he informed LME members he had received the documents.

He added: "As a consequence Mr Hamanaka and another Sumitomo representative came to SIB for a meeting which I attended. At that meeting Mr Hamanaka endeavoured to explain the purpose of the documents."

Mr King declined to quote Sumitomo's explanation - he believed to be that the documents showing the non-existent

trades were needed to satisfy the Japanese tax authorities. But Mr King said that Mr I Nishiumi, a director of Sumitomo, had confirmed to the press that "the Japanese tax

authorities were satisfied with the documentation". Mr King said that from the LME point of view "we took all the appropriate steps, we advised our own regulatory au-

thority, we disclosed the existence of the documents to our members and we addressed the matter with Sumitomo."

Mr King said that in 1991 - and again in 1993 - the LME also expressed concern to Sumitomo about the size of its activities in the market and introduced a system of reporting large positions to monitor trading.

In our report yesterday, we wrongly described Global Minerals and Metals Corporation as broking or hedging on behalf of Sumitomo. Global is an independent copper trading company, and Sumitomo is an important customer.

Comment, page 21

## Investigators follow the fishy trail of an elusive dealer

Investigators searching the web of companies through which Yasuo Hamanaka effected the copper dealings that lost Sumitomo Corporation £1.2bn are set to turn their attention to an elusive figure known to his Tokyo colleagues as "Fishy" Nishi, writes Nic Cicuti.

Mr Nishi's dealings with the rogue trader have prompted interest and investigators are hoping to examine records held at the Tokyo offices of a former Japanese agency of UK-based Winchester Commodities, with whom Mr Nishi was involved. It is understood that Mr Nishi's

home address is known to regulators, who will attempt to interview him in coming days. The office in Tokyo trading as the Minami Aoyama district, described as "fashionable and very expensive", home to embassies, nightclubs and boutiques.

Mr Nishi's name first surfaced in a fax sent by Yasuo Hamanaka to David Threlkeld, the metals trader who tried to blow the whistle on Sumitomo in 1991. Mr Threlkeld was asked to confirm non-existent trades with Sumitomo, back-dated to the previous year.

The person to whom he was to send the fax was Mr Nishi, then said to be working at Winchester Tokyo. After Mr Threlkeld's business collapsed in the wake of his whistle-blowing activities, he sold his Tokyo operation to Mr Nishi for about \$80,000 (£50,000) in 1992.

## Further cut in rates tipped as retail sales dip

DIANE COYLE  
Economics Editor

Lower interest rates are on the cards following unexpectedly weak official figures for retail sales last month. A small dip in the volume of sales, contrary to all the survey and anecdotal evidence, removed any obstacles to another cut in the cost of borrowing within the next month or two, analysts said.

However, they predicted the Chancellor would deepen the rift opening up between him and the Bank of England if he does

pressures made it worth considering reducing rates. City observers believe he acted against the Governor's advice in cutting a quarter point of base rates earlier this month.

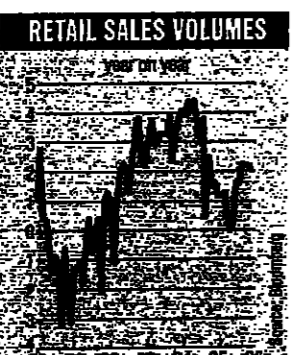
Yesterday's retail sales figures provided further vindication for that move, following encouraging inflation figures last week. "It removes the last question mark over the Chancellor's judgement," Simon Briscoe, UK economist at Nikko Europe, said.

The volume of sales fell by 0.1 per cent in May, bringing their year-on-year growth rate a fraction lower to 2 per cent. It was the coldest May on record, which helped explain a 1.2 per cent drop in sales of clothing and footwear during the month. Economists said the weather probably reduced high street sales growth by 0.5 per cent.

Sales at food stores, which make up more than two-fifths of the total, were weak, too. They were down 0.2 per cent compared with the previous month and were only 0.4 per cent higher than a year earlier.

Sales by non-food retailers as a whole picked up, growing 4 per cent in the year to May against 3.2 per cent in the year to April. Household goods make up the strongest component, with sales volumes up nearly 10 per cent year on year. "This is further evidence of an injection of demand, especially in the big-ticket area," said Leo Doyle, an economist at investment bank Kleinwort Benson. He predicted clothing sales would bounce back this month.

Anecdotal evidence continues to point to an upturn in spending. The latest figures from the John Lewis group speak of a "remarkable week's trade".



cut rates again soon. Minutes of Kenneth Clarke's May meeting with the Governor, Eddie George, released yesterday, reveal a difference of opinion, even though they agreed not to take any action then. According to the minutes, Mr George argued that: "There was little that monetary policy could do to offset the present, temporary, effect of weak overseas demand on manufacturing industry." Lower rates would simply risk stoking domestic demand with inflationary consequences.

However, Mr Clarke said below-trend growth and the complete absence of inflationary

## Montagu in the soup over 'double booking'

JOHN WILLCOCK

A City row has erupted between Johnston Group and its former adviser Samuel Montagu, in which the company, long accused of having advised a hostile predator TT Group at the same time as it still represented Johnston.

A spokesman for Samuel Montagu, a subsidiary of HSBC, dismissed the accusations by Johnston's chairman Gordon Bisset, and described the letter to shareholders in which the chairman made them as "regrettable and somewhat hysterical".

SBC Warburg has since taken over as adviser to Johnston, and supports Mr Bisset's letter attacking Samuel Montagu.

Gordon Bisset urges shareholders in the letter to ignore TT's bid, and says he is seeking clarification from Samuel Montagu on its relationship with TT Group, which launched its unsolicited bid for Johnston earlier this month.

Mr Bisset said: "Samuel Montagu, advisers to TT, were our advisers too. They faxed a letter of resignation to me on the morning of launching the unsolicited tender on behalf of TT."

Bisset said TT had been purchasing Johnston shares since January and adds: "I am seeking clarification of Samuel Montagu's role in and knowledge of this."

"I have more than once sought confirmation from Samuel Montagu that no em-

ployee of Samuel Montagu who has had any dealings with Johnston Group has taken any part in advising TT on any aspect of the tender offer," he said, adding that the company has not responded.

"Aside from the regulatory issues raised, I am appalled by Samuel Montagu's conduct in this sorry affair, which I believe falls well short of what a client is entitled to expect," Mr Bisset said. He concluded that TT's offer of 500p a share "grossly undervalues the earnings and prospects of Johnston Group" and he urged shareholders to ignore it.

A spokesman for Samuel Montagu rejected Mr Bisset's comments yesterday. "Samuel Montagu has never given advice

to Johnston, we have never done a deal for them, we were never going to do a deal for them. We were not in possession of price sensitive information when TT was preparing its approach."

"Johnston did list us as their adviser in their accounts. This was simply because Philip Kendall [of Samuel Montagu] knew them. Mr Kendall left to join Coopers & Lybrand six months ago. Johnston knew that and SBC Warburg knew that. We are very annoyed," the spokesman said.

He added that Bisset acknowledged in his letter to shareholders that the Takeover Panel had already ruled there were no regulatory issues involved in Samuel Montagu's position.

The Johnston letter says it has raised concerns with the UK Takeover Panel over TT Group's use of Samuel Montagu as advisers.

Johnston said the Takeover Panel has ruled that because TT's tender offer is governed by the Substantial Acquisition Rules, the provisions and protections of the City Code on Takeovers and Mergers do not apply. "We are considering the wider regulatory position with our advisers," Mr Bisset said.

TT Group on 6 June announced a tender offer for 2.9 million Johnston ordinary shares at 500p each, representing a 27.46 per cent stake. TT Group already owns 2.53 per cent of Johnston.

He added: "It seems to have come as some surprise to the profession that an administrative discretion relating to the deployment of judicial manpower could be the subject of such a challenge."

During the hearing Mr Alan Jones QC, representing Kevin, argued that technically the case against his client is ongoing and should therefore be heard by the same judge.

Mr Jones said: "It is our submission the appointment of a new judge is likely to cause additional delay and public expense in a notorious case that has already been protracted, arduous and expensive."

"It has caused enormous controversy over legal aid and prompted huge public concern about jury trials."

## Ombudsman awards £2.5m to investors

NIC CICUTTI

The Personal Investment Authority Ombudsman, the new independent watchdog for savers, awarded more than £2.5m last year to investors who complained about the activities of life companies and financial advisers.

In more than half the cases considered, the Ombudsman, Stephen Edell, found fault in the activities of PIA member firms, at least in part. 47 per cent of cases led to orders of compensation against PIA members. The scale of the awards, ranging between £25 and £90,000, followed more than 17,500 inquiries and complaints faced by the PIA Ombudsman's Bureau in 1995/96, the first full year it has been in operation.

Mr Edell is keen to double the amount that can be paid out to investors to £100,000. He yesterday warned that that on pre-

sented evidence the scale of complaints was likely to rise.

"The number of cases has increased significantly over the past year. I anticipate that this [upward] trend will continue and our aim over the next 12 months is to carry on providing a fair and efficient mechanism for the resolution of complaints."

Mr Edell said that of the awards made to complainants, six had involved sums above £50,000.

Although there is no legal obligation on companies to honour awards above that amount, all six had done so. Last year, the PIA Ombudsman played down suggestions that some firms might decide not to pay this amount. However, the Ombudsman's Council, the watchdog's ruling body, signalled an about-turn over whether the compensation ceiling which firms are required to pay should be doubled.

## Troubled Alitalia agrees £1.3bn rescue

Alitalia yesterday announced agreement had been reached on a mould-breaking rescue plan that paves the way for a cost-cutting programme and up to £1.3bn in fresh capital to save the loss-making national airline.

The deal was immediately attacked by British Airways, whose spokeswoman said: "Our position is well documented. We remain opposed to state aid but the Alitalia deal is not yet signed and sealed."

Under the deal hammered out with the unions, at least 20 per cent of the group's shares would be reserved for staff after its recapitalisation, while three seats on the board would be set aside for share-holding employees and one for a union representative.

The company said the number of shares assigned to each group of employees under the deal would be determined by their "contribution, in terms of reduction of labour costs".

Agreement with the unions had been seen as vital as two previous rescue plans in as many years have sunk without trace after running into opposition from workers.

The latest rescue plan was announced last month by Alitalia's new managing director, Domenico Cappelletti, and envisaged staff cuts, reduced overheads, and a £1.3bn capital increase. Its majority shareholder, the state holding company IRI, will pump half that cash into the airline, with the rest coming from financial markets.

This month IRI said it had put on hold a decision to inject funds until unions agree to the plan. Alitalia has remained confident its shareholders would approve its capital increase. Alitalia has said restructuring would involve dividing the airline in two, with one unit focusing on long-haul flights and the other medium- and short-haul operations.

SOME  
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THE POST  
ON FRIDAY.

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cheap).

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that it never goes on strike.

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STOCK MARKETS					
Index	Close	Day's change	Change (%)	1995 High	1995 Low
FTSE 100	3759.20	-3.20	-0.1	3857.10	3639.50
FTSE 250	4455.10	+0.40	+0.0	4568.60	4015.20
FTSE 350	1897.10	-1.20	-0.1	1945.40	1818.60
FT Small Cap	2236.20	-1.8	-0.1	2244.36	1954.06
FT All Share	1883.36	-0.1	-0.0	1924.17	1791.95
New York	5683.86	+35.83	+0.6	5778.00	5032.94
Dow Jones	22387.36	+34.96	+0.2	22387.80	19734.70
Nikkei	10944.47	+48.31	+0.4	11594.99	10204.87
Hong Kong	2554.29	+5.00	+0.2	2570.78	2253.36
Frankfurt					

Source: FT Information

INTEREST RATES					
Index	1 Month	3 Month	6 Month	1 Year	Long Term
UK	5.72	6.13	6.10	6.12	6.24
US	5.31	5.80	5.88	6.12	7.05
Japan	0.44	0.91	3.25	2.77	-
Germany	3.34	3.80	6.61	6.70	7.23

CURRENCIES					
Index	Yesterday	Change	Year Ago	Index	Yesterday
£/US\$	1.5438	unch	1.6048	£/DM	0.6478
£/Yen	1.5380	unch	1.6100	£/Yen	0.6510
DM/£	2.3478	+0.02	2.2337	DM/£	1.5207
Y/£	166.939	+0.282	136.378	Y/£	108.135
£/Index	85.7	+0.1	84.3	£/Index	96.8

MAIN PRICE CHANGES					
Index	Price	Change	% Change	Index	Price
English China Clay	281	7	2.6	Charter	916
Refined Group	458	11	2.5	MI Laboratories	428
Granada Group	869	20	2.4	Sage Group	485

# Telewest ponders plan for national network licence

MATHEW HORSMAN  
Media Editor

Telewest, Britain's leading cable operator, is weighing plans to apply for a national network licence, becoming a wholesaler and a retailer of telephone services in its franchise areas.

The news emerged as the company confirmed it would undercut BT's standard charges by 10-15 per cent from 15 July, as part of an aggressive pricing policy aimed at winning new business from BT.

A national network would allow Telewest to provide services to other companies in its extensive franchises, which covers 3.7 million homes.

International CableTel, the country's third-largest cable operator, bought NTL, the television transmission company, earlier this year, as a move to towards creating a similar national network for telephone services.

Telewest's new residential pricing scheme, first revealed in the *Independent* earlier this month, includes an undertaking that the company will beat BT on all residential phone calls, barring "one-off" discounts such as BT's "surprise special".

It is also offering a 20 per cent discount on bills over £20 a

month, not counting line rental. It is expected to introduce number portability in the autumn, in a further move to attract new customers.

Alan Michels, chief executive, said: "We want to make it easy for our customers. We're not going to confuse them with special offers, or schemes to join every few days or weeks."

His comments were directed at BT, which has offered a range of discounts, including its Friends and Family scheme, in response to aggressive pricing from the cable companies.

"Our discount schemes make our service very competitive," a BT spokesman said. "Far from being confusing, they are very straightforward."

The residential and business telephony markets have helped to fuel cable's growth in the UK. According to a report by Kleinwort Benson, published this week, Telewest is "now in a position to start building a national brand previously lacking in the UK". Kleinwort argues that new services, such as high-speed Internet access, will generate additional revenues, and sets a target price of up to 250p a share, compared with last night's close of 167.5p.

Telewest is also moving ahead on the cable television front, confirming yesterday it would offer the new Sega games channel in the UK. Owned by Sega, Time-Warner and TCI, the channel is distributed in the UK by Flextech, the pay-TV programmer. It will also be launched on the Continent.

Subscribers will be able to download and play up to 25 games a month for a fee of £10. They will need a Sega Mega Drive system, a cable link and a connecting adaptor.

Roger Luard, chief executive of Flextech, said the new service would be rolled out by other UK cable companies in coming months. Telewest and Flextech have a common parent, TCI, the giant US entertainment and distribution company.

Meanwhile, Flextech said yesterday that negotiations with Rupert Murdoch's Fox entertainment arm about the sale of a stake in the Children's Channel, had ended "amicably". Fox had been discussing the purchase of a 50 per cent stake in the Flextech channel, which now may be offered to other broadcasters.

While Flextech declined to comment, it is understood that Cox Communications and Pearson could be potential partners.

The sky's the limit: A flotation from the rooftops to mark AIM's first year



Star attraction: The London Stock Exchange celebrates the first birthday of AIM - the Alternative Investment Market - with the launch of a balloon from the roof of the Stock Exchange tower by Panton Corbett, AIM's chairman, and Theresa Wallis, chief operating officer. Photograph: Jane Baker

## Made in Leicester, the best aristocratic socks

### CITY DIARY

JOHN WILLCOCK

Pex, the Leicester-based manufacturer of children's socks, has produced an annual report with a difference. Pride of place on the front page is a colour reproduction of a young boy, "Filippo Cataneo", painted in 1623 by Anthony Van Dyck.

Filippo is an ancestor of Andrea Cattaneo Della Volta, the Marquess of Belfiore - who bought Pex four months ago. Since then the charming Genoan nobleman has put in a new management team, returned the company to the black and invested £1.2m in new machinery.

The Marquess must be one of the most distinguished people involved in the East Midlands clothing trade - his forebears founded the city of Genoa in 962. He still owns vineyards there, but most of his business is conducted through Unilever, a Belgian fax-spinning company. Now the Marquess has set up house in London and spends three days a week in Leicester. He is also on the acquisition trail - a £2.5m

knitting technology company would suit fine.

Mike Smith, the doyen of trading-company analysts at Williams de Broe, is about to turn his back on the City and return to the world of Academe. Mr Smith is off to study history at Manchester College, Oxford, and is hosting a farewell bash next Thursday.

Mr Smith is probably the world's greatest expert on Indecap and other traders, and has spent most of his career at Robert Fleming. Giv-

en that he has been enjoying a City salary, his colleagues want to know one thing: Is he getting a grant?

Happy Birthday, AIM. Just one point. The London Stock Exchange has sent out a highly informative press pack on the fledgling successor to the USM, with a white label pasted on the cover. "Duly visible through the label is a list of four names underneath, from which 'further information can be obtained'". They all left

months ago. A bit slapdash, that. Hopefully not a pointer to AIM's future.

Smith & Williamson are amongst the most superior of medium-sized accountancy firms, what with their wealthy private client list, investment banking operations and London offices just off the BBC building in Portland Place. How natural, then, for them to host a private viewing of the Summer Exhibition at the Royal Academy, followed by dinner at the RAC club.

Sadly, decorum succumbed to Euro 96 mania, due to a television set in the joining room at the RAC which was showing the England-Netherlands match. The noise level rose with each of England's goals, with poorly City figures at one point chanting "four-nil, four-nil". The master of ceremonies had a hard time persuading the mob to take their places for dinner, and was forced to promise to announce any further goals. They had no sooner started tucking into "spiced pear" than news



Blue blood: Filippo Cataneo, the 17th-century ancestor

came through of the late Dutch goal, and Scotland's exit from the tournament. Understated, a merry time was had by all, until it came time to find taxis home.

Sadly, London's taxi driving population had obviously gone home to watch the match, and many of the senior bean counters had to be content with the night bus.

## ADT bids £85m for security firm

TOM STEVENSON  
City Editor

ADT rode to the rescue of Automated Security Holdings yesterday, bidding £84.9m in shares for the electronic security systems company.

ASH had been struggling for some time under a mountain of debts. Its shareholders will receive 3 ADT shares for every 92 ASH shares they hold. The proposed deal implies a value of 39.5p for each ASH share, a premium of 27 per cent to the ASH closing price on Tuesday of 31p. The terms imply a similar premium of almost 30 per cent for two classes of preference share.

ASH instigated a program in 1995 to refocus its management and sell peripheral businesses. The board realised from the start that such a course of action would not be sufficient to bail it out, however, and finding a bidder was always part of the game plan of new chief executive Tony Dignum.

During discussions to sell some of its US operations to

ADT, negotiations began on a full offer for the company, leading to yesterday's announcement.

Following the deal the new ADT shares to be issued will be listed on both the New York and London stock exchanges.

The takeover follows two years of heavy losses for Automated. In the year to November, ASH made a loss of £7.4m on turnover of £154m. In the previous 12 months it had lost £11.8m. Latest figures for the first three months of the current year showed the company still in the red, losing £1.3m from sales of £37m.

ADT, which is incorporated in Bermuda, is focused on electronic security and car security. It is the largest single provider of electronic security in North America and is also a significant force in Europe.

In the year to December, ADT made profits of US\$120m. About three quarters of its sales come from its security activities and, following the acquisition of ASH, the companies' activities will be merged.

## Airtours brochure sales impart a glow

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

For a man who runs Britain's second-largest holiday company, Airtours chairman David Crossland never sports much of a tan. But he had a healthy glow about him yesterday as he reported figures which hint that the industry may be headed for better times after last year's disaster.

Then, a combination of over-capacity and a long, hot summer at home led to more than a million unsold holidays which had to be deeply discounted. The result was a 20 per cent profit slide for Airtours to £59m.

This year, the industry has cut capacity by 15 per cent while bookings are 12 per cent lower. Airtours' summer bookings are 19 per cent below last year as it chose to hang on to margins rather than chase volumes.

As some smaller rivals were discounting their summer '96 holidays as early as January it is not surprising that Airtours bookings took a hit. The good news is that Airtours has been

making more brochure sales with better margins. Also cheering, for the operators if not consumers, is that May booking prices were 15 per cent up on last year, with June prices 20 per cent higher.

The key now is the school summer holiday season which starts in mid-July. Airtours has fewer unsold holidays than last year and winter bookings are 17 per cent higher.

Losses in the traditionally weak first half were also reduced. In the six months to the end of March, the loss was struck at £31.2m against £35m the year before. The performance was weakest in the UK where the deficit increased to £26m largely due to the poor, unusually warm October.

Bookings to Greece remain weak and the company has cut its Greek capacity by 30 per cent since last year. Airtours is trying to reduce its dependence on UK bookings which still account for half of sales. Scandinavia and Canada make up a growing chunk of business.

The balance sheet has been bolstered by the £100m investment by Carnival corporation of the US which has a near-30 per cent stake.

The group has also contracted out all its information technology operations to EDS of the US which will take control of Airtours booking systems. With cruise bookings soaring and longer-haul holidays popular, the outlook is set fair providing the industry keeps its head and does not add capacity next year. Mr Crossland says he expects capacity to remain constant in 1997, though it takes only one to break ranks and cause havoc. Analysts expect profits of £71m for the full year. The shares, a penny higher at 518p, traded on a forward rating of 15. Hold.

there was less news on the future growth in the payout than the market would have liked. On balance, however, it welcomed the combined group's maiden figures and the shares edged 5p higher to close at 723p.

Plainly there is logic to combining utilities with broadly similar customer bases. If you bill customers once instead of twice and need only one set of information technology equipment the potential savings are likely to be substantial. Where the process will end and just who the eventual beneficiaries will be of the probable return to large monopolistic providers of basic services is another point and probably not one to trouble the investor. Unless, that is, the noises from the Labour Party yesterday translate into something as concrete as a windfall tax or ever-tighter regulation.

That is the key uncertainty with all utility companies in the run-up to an election and it is something that is arguably not adequately reflected in share prices.

Certainly, a dividend yield of under 6 per cent is hardly a generous compensation for such a high degree of regulatory and political risk.

On the other hand, buying Swalec provides Hyder with a firm base for continued dividend increases along the lines of the 14 per cent rise in last year's payout to 33.5p. A real rise of more than 10 per cent is pretty attractive when it is probably sustainable well into the future. But so it should be, given the risks. High enough.

### Windfall tax rider to Hyder

If Hyder can achieve the £100m of savings it suggested yesterday, the takeover earlier this year by Welsh Water of Swalec will have done its job for shareholders. That is just as well, because having blazed the merger trail, the combined group, like United Utilities in the North-west, has in effect bowed out of the speculation bubbling under the rest of the water and electricity sectors.

With no takeover froth likely to boost the shares, attention focused yesterday on the extent of the proposed cost-cutting measures and the size of future dividend increases. The cuts were better than expected, while

### Body Shop revival on hold

Announcing a gloomy trading statement on the same day as rather disappointing May retail sales figures was helpful to Body Shop yesterday.

A day earlier and it would have looked seriously out of kilter with the rest of the high street which has been basking in the glow of upbeat pronouncements on consumer spending. As it was, the shares slid only a couple of pence to 180p.

There was nothing here to indicate that a Body Shop revival is round the corner. In the first three months of the current year, group sales were 14 per cent higher, but that includes 34 new openings which takes the total to 1,407 at the end of May.

Strip those out and like-for-like sales were as flat as a pancake. UK sales did not rise at all which compares badly with some recent bullish figures from rivals.

In the United States the problems continue with comparative sales down 5 per cent. The only glimmer is still the international markets which registered a 4 per cent sales increase.

Herein lies the problem. Body Shop says that the Far East and other "rest of the world" regions will prove ready markets for colourful foot lotion and fragrant mud packs. But the biggest concentrations of Body Shop stores are either in the UK or the US. If these markets are performing poorly it drags the rest down.

The American business recorded a loss last year though it says improved ranges and better advertising will help. The number of new US openings has been scaled back to 14 this year.

The Roddicks may be holding out the olive branch to the City with promises of higher dividends but it needs to deliver trading improvements, too.

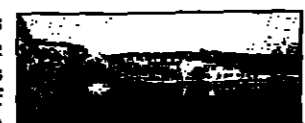
The shares jumped 19p back in May when the company announced a 42 per cent increase in the payout but they have gone nowhere since.

Analysts were leaving their profit forecasts unchanged yesterday at £40m which puts the shares on a forward rating of 14. Not exactly expensive but unlikely to go anywhere until there are genuine signs of a recovery in the American operations. Unexciting.

## THE INDEPENDENT

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# Takeover Panel thinks it can hold back the tide



COMMENT

The Panel's fiercely protective reaction to the proposed European directive on takeovers is an entirely predictable and to some extent justified one

There has always been a strong European tendency within the City. Anything that comes out of Brussels or Europe tends to get treated with the utmost suspicion, even among those now answerable to German and French masters. This might seem natural enough for a community of self-interest, whose allegiance even to its own country is open to doubt, let alone anywhere else. But there is more to it than that. The fact of the matter is that if there is one thing where Britain reigns supreme in Europe, it is in wholesale financial markets. On the whole, the rest of Europe is not only no good at it, but in many respects it is culturally and institutionally averse to it. Nasty Anglo-Saxon speculators - that's the general Continental view of the City. And it's mainly jealousy.

The Takeover Panel's fiercely protective reaction to the proposed European directive on takeovers is therefore an entirely predictable and to some extent justified one. Contested takeovers are uncommon on the Continent and in some countries they are virtually unheard of. Where they do occur - and you have to think here mainly of Italy - there is often widespread abuse. Britain, on the other hand, has long experience of them, and although its system of non-statutory regulation leaves a lot to be desired, it doesn't seem to work too badly. The idea that Brussels has anything to teach Britain about the regulation of takeovers, is plainly nonsense.

The directive itself is on the face of it a pretty innocuous one, the product of so much fudge, compromise and redrafting that it seems scarcely worth the paper it is written on. Many of its main elements and principles are borrowed from the British Takeover code anyway; it is also so vague that the ordinary business of the Panel probably won't be affected. Why then is the Panel so worked up about it?

The Panel's concern boils down to two issues. The first is that the directive would require statutory enactment (only in Britain, you understand, because nobody else is going to bother) which in turn would create legal rights. The Panel's decisions could thus be more easily challenged through the courts. Rulings in other countries would have to be accommodated within the British regulatory framework, however inappropriate to it they might be. The second is that provision would have to be made for compensation against cases of regulatory failure.

Most people wouldn't find much difficulty with either of these concepts but to the Panel they are anathema. According to the Panel, the first would greatly increase the cost and slow the process of takeovers. In some cases prolonged litigation would halt them entirely to the detriment of shareholder interests. Speed, flexibility and certainty, the strengths of the present system, would be lost. As for compensation, the idea that the Panel could itself be held negligent

and liable is plainly too much to take for the gentlemen who run it.

The Panel is probably right about this directive; it looks like another piece of unnecessary meddling from Brussels. The problem is that in kicking up a fuss about it, the Panel has refocused the spotlight on its own less than exemplary record. Self-regulation is in many respects a fine thing, but it suffers from some obvious failings. Self-regulation also tends to be self-interested regulation. And here, it is the interests of City practitioners, and the lucrative source of revenue that takeovers provide them with, as much as those of shareholders, that the Panel is designed to protect.

Self-interested regulation is often another way of saying law regulation. It was the Panel, don't forget, which rehabilitated the ghastly Jim Raper. When he was for a second time run off with the loot, there was no compensation for those that had relied on the Panel's stamp of approval. More seriously, it was the Panel that lorded it over an unparalleled period of sharp practice and abuse in the mid-1980s, culminating finally in the Guinness scandal. There was compensation paid out on this occasion, but, to turn the Panel's arguments against it, only because of the threat of prolonged litigation. It wasn't the Panel as such which secured it. More recently, the Panel gave its blessing to a lucrative little corporate finance wheeze that another regulator, the SIB, later found to be tantamount to insider dealing.

It is the eternal lot of regulators that you see only the failures; the great raft of successes go largely unnoticed. Nonetheless, the Panel is being a little like King Canute in believing it can hold back the tide of international and statutory regulation. Today's markets are global, and today's takeovers are increasingly cross border. By defending its own little system against foreign encroachment, the City risks irrelevance and impotence. The Takeover Panel gains nothing by burying its head in the sand. Much better to ensure that the codes and practices so painstakingly evolved in Britain over the past thirty years become the standard for Europe. Our Continental partners are certainly in need of them.

The Securities and Investments Board has moved with commendable speed to review the London Metal Exchange, its trading and regulation. But anybody expecting a Barings or BCCI style attempt to tell the whole story in all its gory detail is advised not to hold their breath. The probe is limited in the sense that it is not setting out to identify what went wrong in the Sumitomo, Comdex or Citic scandals, all incidents in which large companies have lost a great deal of money on unauthorised copper trading in recent years.

We can therefore expect a worthy tome that will set out a new blueprint for the metal markets generally. It will also attempt

to bring some regulatory control to the over the counter copper markets, a tall order since this is a world wide business. Perhaps most important of all, the review will look at how large customers of member firms of the LME can be brought under some form of regulatory control.

But in other respects, this is likely to prove an unsatisfactory exercise. Some of the people it most needs to talk to are under no obligation to talk at all. Sumitomo has made clear it will cooperate, but that will be voluntary and there will be nothing to stop it walking away if it is offended. If this had been a domestic scandal, there would now be powerful calls for an independent inquiry not just into the lessons of what happened but into the causes. An attempt at full post mortem would already be under way.

The problem is that until it is known why Sumitomo lost so much and how the market rigging went on unchecked for so long, it will be hard for anybody to be really confident that the solutions are appropriate. Whether a wider inquiry is possible given the international nature of this affair, is open to question. The murky secrets of the whole affair may well be found in Japan rather than New York or London, and the Japanese are not going to open their books to the world unless it suits them. Any criminal actions will take years in the courts. The sad truth is that what actually happened here is likely to remain the subject of speculation and hearsay.

Income setback: First figures since privatisation show £190m profit but reveal problem in goods services

## Railtrack results hit by freight revenue dip

CHRISTIAN WOLMAR  
Transport correspondent

A surprisingly sharp drop in income from railfreight cast a shadow over the publication of Railtrack's first profit figures since privatisation last month.

The bulk of Railtrack's £2.3m income is determined by the regulator who sets the formula by which train operators pay for use of the track and stations, most of which comes from Government subsidy.

However, freight revenue, one of the variable elements in Railtrack's income stream, showed a worrying dip from £191m to £158m, mainly as a result of reduced prices on long-term contracts which run out in 1998.

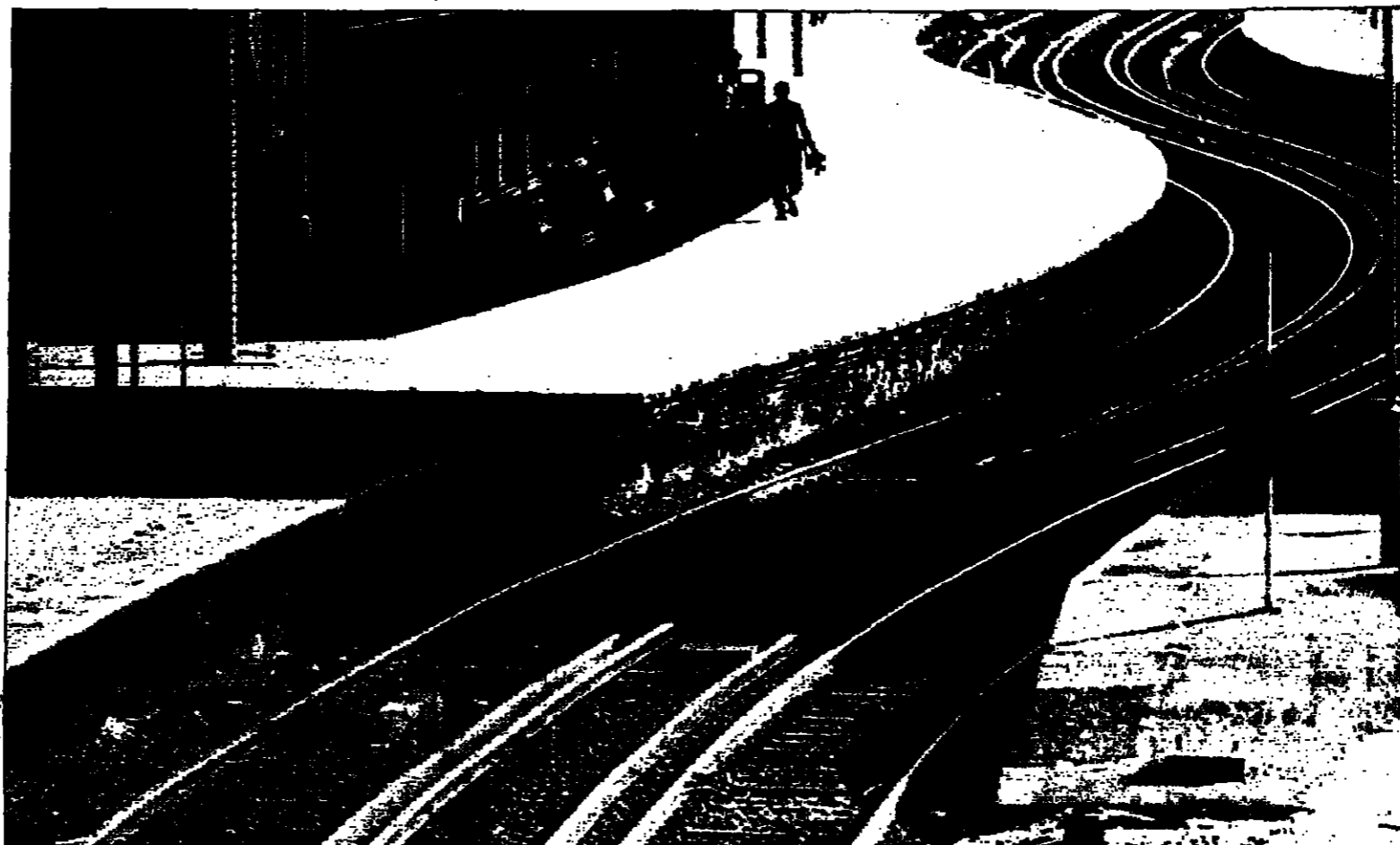
Railtrack said it now thinks "these contracts are on a commercial footing", though it faces a difficult period of negotiation with English, Scottish and Welsh Railways, the subsidiary of Wisconsin Central which now owns the main freight companies. Railfreight is one of the few opportunities for growth in Railtrack income, as passenger service levels vary very little from year to year because of the inflexibility of the new structure of the railways under privatisation.

The regulator has set a formula of retail price inflation, minus 2 per cent for access charges over the next five years.

Railtrack confirmed that its pre-tax profit for the year to March 31, the last under public ownership, was £190m. Shareholders will receive a dividend of 13.75p per share payable on October 4.

Property rental income, which also has scope for unregulated growth in the short term, was almost the same as in the previous year at £112m.

Railtrack is committed to spending £760m on refurbishing all its 2,500 stations over the next five years as part of its annual £1bn per year investment expenditure. However, a spokesman for Railtrack said these improvements would not result in increased rents.



Commitment: Railtrack is planning to spend some £760m on station refurbishments over the next five years

Bob Horton, Railtrack's chairman, said Railtrack was becoming more efficient and that its operations had become "progressive more functionally focused, commercially adept and more closely related to the needs of the customers".

However, he said work was still

needed to change the industry's culture to make it even more responsive to customer needs.

The regulatory regime also required a strict control on costs, Mr Horton said, which will also help to pay for what the company terms a "progressive dividend policy".

The company accepts that there will be job losses from its 11,500-strong workforce. However, most of the savings will result from squeezing contracts with the newly-privatised infrastructure companies which provide track maintenance and which account for the bulk of

Railtrack's £2bn operating costs.

Clare Short, the shadow Transport Secretary, said Railtrack's figures were misleading. "This is taxpayers' money masquerading as Railtrack profit. Public subsidy into the privatised has had to increase in order to make

their corrupt system appear profitable."

Labour has said it will impose a stricter regulatory regime on Railtrack but has yet to flesh out how. Some details may emerge today when Ms Short launches Labour's document on transport policy at a London conference.

## Planned return to market for Sock Shop

NIGEL COPE

The Jumper retail chain, which acquired Sock Shop from the receivers last weekend, is planning a stock market flotation within two years. It would mark a return to the quoted arena for Sock Shop which was taken to the Unlisted Securities Market in the late 1980s by the original founder, Sophie Mirman.

The plan has been drawn up by Peter Ridsdale, managing director of the Tuleton Group which owns both Jumper and Sock Shop. The company made profits of around £1.5m on sales of £24.5m in the year to January.

Jumper has 105 stores and 40 concessions in department stores. Based at Carnforth in Lancashire, it also includes a wholesale division. Almost all its equity is held by venture capital groups including 3i and Prudential Ventures, who backed a management buy-out in 1992.

Mr Ridsdale hopes to inject more life into the 75 Sock Shop outlets by refurbishing the stores and concentrating on socks, hosiery and underwear. He says the company has received enquiries from several department store groups about possible in-store concessions. "The brand name still has a lot of latent loyalty," he said.

It is thought Jumper paid several million pounds for Sock Shop, which recorded a loss last year. It is expected to make a contribution to profits this year.

### IN BRIEF

Five tobacco companies were sued in separate class actions filed in the New York State Supreme Court on behalf of all New York residents addicted to nicotine, lawyers in the case said. The suits, which seek unspecified damages, name Philip Morris, RJ Reynolds, Lorillard and two BAT subsidiaries, Brown & Williamson and American Tobacco.

The Investors Compensation Scheme, the safety net for victims of fraud and bad advice, has accepted a package worth up to £7.5m from Cheltenham & Gloucester, the former building society now owned by Lloyds Bank, in settlement of a legal battle over the sale of home income plans. The agreement benefits more than 300 borrowers who took out C&G mortgages in the late 1980s.

German business confidence edged up last month in the latest sign to encourage hopes of a recovery in Europe's biggest economy. The business climate index published by research institute Ifo improved in May for both east and west Germany for the second month running. The index for the west improved to 92.3 from 91.9, and for the east to 103.2 from 103.0.

Chris Wright, chairman of Chrysalis, yesterday raised £6.3m to fund a possible takeover of Queens Park Rangers Football Club. Mr Wright wants to merge QPR and Wasps rugby club into a single publicly quoted sports company sharing QPR's Loftus Road stadium. Yesterday he sold a 4.5 per cent stake in the music company he founded at 52p per share. He still holds 42.7 per cent of the company after the sale.

Jarvis Hotels increased the indicative offer price range to 150-180p per ordinary share from 150-170p after heavy demand for the placing. Jarvis said its market capitalisation will be £290.4m based on the new mid-range price. The intermediary's offer closes at 1100 GMT today and the placing at 1600 GMT. Conditional deals on the London stock exchange are expected to start at 0730 GMT on June 21.

China cut its stake in Cathay Pacific Airways by 2.6 per cent, less than two months after breaking the British hold on Hong Kong's airline industry. Analysts said the move by the state-owned China National Aviation Corp to sell a 2.6 per cent stake in Cathay has triggered concerns that it may set up its own rival airline in the territory in competition with Cathay after the territory reverts to China on next year. CNAC will use the proceeds from the sale to fund last week's HK\$1.97bn purchase of a 35.9 per cent stake in regional airline Dragonair.

Moulinex's restructuring plan calling for 2,600 job cuts over the next three years is "not acceptable in its current form," French Industry Minister Franck Borotra told the National Assembly yesterday. The elimination of 2,600 jobs, 2,100 of them in France, a group that employs 11,500 people, and the closure of two plants looks excessive to us," he said.

Tele-Communications Inc, the US cable giant, plans to spin off its direct broadcast satellite subsidiary. The move is intended to be a tax-free transaction and is expected to be completed by the fourth quarter, pending regulatory approval. TCI will not retain any equity interest in the new company.

## Labour fires at Hyder profits

TOM STEVENSON  
City Editor

Hyder, the combined utility group formed by the takeover of Swalec by Welsh Water, said yesterday it would cut 900 jobs and save £100m a year in costs by 2000. The news, which surprised and pleased analysts, was condemned by the Labour Party, which confirmed its pledge to impose a windfall tax on water companies.

Frank Dobson, shadow environment secretary, said: "Profits and dividends for the Welsh Water monopoly remain scandalously high. They are further damning evidence of the scandal of water privatisation."

Welsh Water has put profits before customers. The bosses at Welsh Water should be spending their time solving the problem of leakage instead of squeezing profits out of the consumer and being distracted by mergers and company restructuring.

The continuing row between the water industry and Labour blew up as Hyder reported a 14 per cent increase in its annual dividend for the year to March to 33.9p.

It promised continued,



Tapping into big savings: Iain Evans, chairman

above-inflation increases in the payout but disappointed analysts by refusing to give any further details on the dividend.

Turnover in the year rose 25 per cent to £651.6m, after including a two-month contribution from Swalec which was acquired in January. Profit before interest and an exceptional charge of £55m to cover the acquisition and a reorganisation of Welsh Water was £183.6m, up 17 per cent.

Welsh Water bought Swalec for £900m, two months after North West Water bought Norweb in the first multi-utility deal. Two other electricity companies are bidding for Southern Water, convinced of the cost cuts and competitive advantages of offering more than one service.

"Swalec was a sound acquisition, creating substantial benefits and delivering enhanced shareholder value which provides a platform for enhanced

real dividend growth," said chairman Iain Evans. The shares closed 5p higher at 723p.

Paul Twamley, finance director, said half the savings would come from job cuts, the rest from reducing overheads through integrating services such as billing, information technology, procurement and customer services. "If you do that once instead of twice you save a fortune," he added.

Hyder said it was reviewing the future of Swalec's non-core businesses, which include a 40 per cent stake in a cable company, a stake in a Teesside power station and property investments.

As part of its restructuring following the takeover of Swalec, Hyder has set up a new combined facilities management company. Hyder Services currently employs 1,700 staff from which the company has promised cuts of 450 over the next three years.

## Panel attacks Brussels bid plans

TOM STEVENSON  
City Editor

The Takeover Panel yesterday launched its latest salvo to prevent Brussels interfering in domestic bids and deals by issuing a vehement attack on a proposed EU directive that would replace Britain's current non-statutory system of takeover regulation. The directive would also create a new, strictly legal framework for mergers and acquisitions.

The Panel's offensive against the directive, which replaces a previous failed attempt to harmonise European takeover rules five years ago, coincides with the completion of consultation periods at both the Department of Trade and Industry and the House of Lords European sub-committee. Unless the directive is blocked it is scheduled for implementation in April 1998.

Noel Hinton, deputy director general of the Takeover Panel, said the proposed directive, put forward by the European Commission in February, was a recipe for tactical litigation in takeover bids and called for the continuation of a non-legal system that had, he claimed, served British shareholders well since the City Code on Takeovers was introduced 28 years ago.

He added: "We have a tried and tested system of regulating the conduct of takeover bids which works very well, in large measure because it is non-statutory, whose well-being and continued functioning would be jeopardised by the consequences of adopting this directive."

The Panel believes that because takeovers are fast-moving and complex, and throw up a wide variety of unique circumstances, a rigid set of legal requirements would be inappropriate and lead to costly and disruptive litigation which would ultimately discourage takeovers.

The Panel also believes that, with the vast majority of European bids carried out in the UK, a British regulatory authority is better placed to provide efficient supervision.

As well as throwing the current flexible system of regulation into jeopardy, the Panel also believes a proposed right to compensation, in the case of a breach of takeover rules, is inappropriate: "What is necessary is the ability to act quickly to remedy a potential breach rather than seek to recompense a person after the event, when it might well be too late."

The latest European Commission proposal replaces an earlier version, which was put forward in 1989 and formed part of a programme of measures featured in the 1985 White Paper on the completion of the Internal Market.

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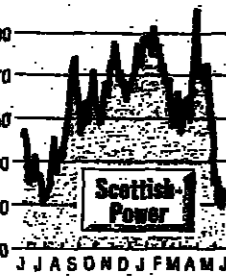
# market report/shares

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FT-SE 250  
4455.1 +0.4  
FT-SE 350  
1897.1 -1.2  
SEAQ VOLUME  
703.7m shares,  
28,443 bargains  
Gilts Index  
92.03 +0.11

## SHARE SPOTLIGHT

share price, pence



## ScottishPower stirs in hazy, crazy, lazy days of summer

ScottishPower could be on the verge of generating a new bid for Southern Water.

Its first offer, worth £1.56bn when it was launched last month, has already stretched the group and it will struggle to lift its new bid much above the £1.6bn counter from Southern Electric.

The SE offer is structured to be worth 1,013p a Southern Water share. The talk is that ScottishPower may go to 1,020p, possibly 1,030p.

The Scottish group's shares have fallen from 358p since it produced its bid. They touched 304p on Tuesday, rallying 6p to 311p yesterday.

SE was a shade firmer at 674p and Southern Water was little changed at 987p.

The rest of the stock market was - almost - lost in a haze of summer sunshine and sporting attractions.

Trading was again at a low ebb with the appeal of Royal

Ascot and the lingering impact of England's Euro '96 Cup win proving decisive influences.

There was, however, enough energy left for the market to brush aside Whitehall's flat sales statistics for last month. There was a tendency to pay more attention to the recent upbeat retail survey from the Confederation of British Industry and the shop floor evidence from various retailing groups.

The May retail sales also prompted thoughts that the Chancellor could be tempted into another interest rate cut, a possibility which helped sentiment.

Even so the market could not disguise its lacklustre attitude which left the FT-SE 100 index down 3.2 points at 3,753.2.

BTR fell 3p to 256p in busy trading as the market prepared for negative analyst meetings next week.



## MARKET REPORT

### DEREK PAIN

Stock market reporter of the year

Granada was the best-performing blue chip, gaining 20p to 869p with Kleinwort Benson providing much of the impetus. In a bulletin on the leisure industry - *A Golden Age for Hospitality* - analyst Paul Slattery suggested Granada could hit 900p if it completes its Forte disposal programme and continues to achieve expected growth targets.

The arrival of Abu Dhabi's investment arm at Manchester Utd with a 4 per cent shareholding helped the football club to recover from the impact of last week's directors' share sales with the price moving 18p to 459p.

British Biotech had an

eventful session with the sale of nearly 12 million shares at 2,427p sending the price tumbling 27p.

But towards the close an array of buyers signalled their willingness to take on shares and the price ended 30p up at 2,620p.

Cable & Wireless gained 7.5p to 427.5p on its £60m Asia Satellite windfall and ABN Amro Hoare Govett support. Kingfisher enjoyed a push from UBS, improving 9p to 639p. Greenalls, the pub group about to be ousted from Footsie, rose 11.5p to 590p on SBC Warburg support.

Albert Fisher, the food group, held at 47p. Rumours

that chairman Stephen Walls was to step down into a non-executive role were denied by the company.

Quarter, selling its 65.3 per cent holding in Cape, the industrial trust, fell 34p to 916p. Rustland Trust, the outcrop mineral group, acquired 25 per cent of Cape at 130p a share with most of the rest of Charter's stake bound for institutions. Cape was firm at 166p and Rustland held at 54p.

Johnson Matthey, the metals group, slipped 2p to 628p with Warburg thought to have some of the minority stake still on its books.

ADT, the Bermuda-based security group run by Michael Ashcroft, eased 23p to 1,195p as it produced an £84.9m share exchange offer for Automated Security, up 8p to 39p.

Elys, the Wimbleton department store where a furious bid battles rages, stayed at 690p as Morley's Stores, an un-

quoted London department store chain, lifted its bid to 700p, topping an offer from Panther Securities by 15p.

Canors, the furniture retailer, was suspended at 175p, up 6p. It is in talks with Elan, a chain of home furnishings shops, controlled by the family of Lord Harris, of Carrington fame.

Two constituents of AIM marked the junior market's first anniversary celebrations. Cress, supplying generators for medical imaging, said it had lost a contract and half-time losses increased to £398,000. The shares fell 17p to 72p; they were 137p last year. Mennar Corporation, hit by the fall in chip prices, lost another 10p to 85p, against 553p last year.

Dana Petroleum, with exploration interests in the former Soviet Union, put on 0.5p to 10.5p; the shares were 7p last week. Rumours of a strike are going the rounds.

## TAKING STOCK

AIM continues to attract recruits. IES, on the verge of graduating from Olex earlier this year, is due to arrive today.

The shares closed on Olex at 250p with the warrants at 275p. The security equipment group made a profit of £216,000 last year. A £175,000 loss in the first half of its current year is blamed on development costs and a tendency for income to be delayed until the second six months.

Brinkbale, a small advertising and marketing group, held at 4.75p. The company has cut bank borrowings by selling a property for £750,000 and is considering switching loans of £250,000 from chairman Kevin Morley into convertible preference shares. Mr Morley is a former managing director of Rover cars.

## Alcoholic Beverages

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0
White Horse	1,200	0

## Banks, Merchant

Company	Price	Change
Barclays	1,200	0
Bank of Scotland	1,200	0
First Direct	1,200	0
Halifax	1,200	0
London City	1,200	0
Midland	1,200	0
NatWest	1,200	0
Paragon	1,200	0
TSB	1,200	0
Yorkshire	1,200	0

## Banks, Retail

Company	Price	Change
ABN Amro	1,200	0
Bank of America	1,200	0
Bank of England	1,200	0
Bank of Ireland	1,200	0
Bank of Montreal	1,200	0
Bank of New York	1,200	0
Bank of Paris	1,200	0
Bank of Spain	1,200	0
Bank of Tokyo	1,200	0
Bank of West	1,200	0

## Breweries, Pubs & Rest

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Building/Construction

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Building Materials

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Chemicals

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Electronics

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Electricity

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Engineering Vehicles

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Extractions Industries

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Food Manufacturers

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Food Distribution

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Government Securities

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Index-Linked

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Shorts

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Mediums

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Longs

Company	Price	Change
Adnams	1,200	0
Beck's	1,200	0
Brewery	1,200	0
Carlsberg	1,200	0
Guinness	1,200	0
Heineken	1,200	0
Johnnie Walker	1,200	0
Miller	1,200	0
Stout	1,200	0
Tennent	1,200	0

## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: R/E ratio is Earnings per share divided by Earnings per share. S/S ratio is Sales per share divided by Sales per share. Dividend yield is Dividend per share divided by Share price. Dividend cover is Dividend per share divided by Earnings per share. Dividend growth is Dividend per share divided by Dividend per share. Dividend growth is Dividend per share divided by Dividend per share.

Anyone with a time-share telephone can use the service. For a detailed description of the Independent Index, including its portfolio facility, phone 0801 123 333. For assistance, call our helpline 071 673 4375 (9.30am - 5.30pm). Calls cost 30p per minute (cheap rate), and 40p at all other times. Call charges include VAT.

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## Market leaders: Top 20 volumes

T-SE 100 Index hour by hour		14.00 37521 down 43
Open 37487 down 27	11.00 37537 down 27	15.00 37554 down 10
09.00 37528 down 36	12.00 37543 down 21	16.00 37513 down 51
10.00 37564 nc	13.00 37554 down 10	Close 37532 down 32

# Euro standards set to expose UK's hidden economy



ECONOMIC VIEW  
DIANE COYLE

The process of Euro-harmonisation reaches into all kinds of nooks and crannies of British life. One of the more obscure is the compilation of economic statistics. Unlike waxes issues like EU demands for straight bananas, this is not the stuff of headlines. But it will have far more of an impact on our lives. What we measure has an important effect on what we think about the economy.

The Office for National Statistics is undertaking several related projects in order to meet European national accounts standards set last year. The one on which commentators have focussed is including estimates of criminal activities in measures of GDP.

The EU requirement is for an estimate of criminal activities between consenting parties - in effect, drugs and prostitution.

Much of the hidden economy consists of legitimate activity that is simply hidden from the eyes of the tax or trading standards authorities. This includes, for example, builders who omit to pay all the VAT due on repair work, or the self-employed cleaners who do not report some of the income they receive in cash. There is nothing illegal about the business itself.

This means that statistics can actually get a pretty good idea of its extent from other measures. For example, cleaners might not declare their income to the Inland Revenue but the people hiring them have no reason to under-report their expenditure. By comparing the expenditure, income and output measures of GDP - which should all be the same but are not - it is possible to estimate the size of the hidden economy.

According to last year's national accounts, it is running at about 1.25 per

cent of GDP, or some £7bn to £8bn. This is down from 1.5 per cent in 1981, and as much as 3 per cent in the mid-1970s.

It is relatively small and decline in importance run against the conventional wisdom that the hidden economy is booming. But official statisticians describe recent estimates that it accounts for more than 10 per cent of GDP as "fantastic". The popular view derives from the fact that some areas of the economy - car boot sales, self-employment and so on - have grown enormously. But they are not very hidden.

Deregulation means that things that might have been illegal a decade ago are not now. What would once have been a sweatshop counts now as one of the thriving small businesses that is making Britain the enterprise centre for Europe.

The focus on intangibles lies in with a new report from the Organisation for Economic Co-operation and Development on accounting for "hidden capital" - or in other words, measuring what people know.

The industrial economies are becoming increasingly dominated by knowledge and its related industries. Accounting for software, however, is

easy compared to accounting for brain power. Meanwhile, another controversial and important change to European standards that could have a huge effect on Britain's GDP is a new method for estimating the financial services industry. Currently its output is measured indirectly, mainly by looking at how many inputs it uses - much like the measurement of public services.

The Euro-method will involve measuring something more like value added in financial services based on interest margins earned by financial intermediaries. Thirdly, mineral exploration will no longer be treated as current expenditure but as part of the capital account.

There will also be presentational changes designed to make the statistics more useful for the purposes of economic policy. All the anecdotal evidence suggests that the non-profit sector is growing by leaps and bounds.

More fundamentally, the ONS will start to publish a social accounting matrix. The national accounts, like a double entry book-keeping system, present the same information twice - one person's expenditure is another's income. A social accounting matrix can give the information as one cell in a grid of income and expenditure, just as the little-used input-output tables show purchases and sales by industry groups. The grid can be presented in as fine a detail as necessary.

The technique has existed since the early days of national accounting and has been widely used for developing countries. It has been revived because of a new interest in the impact of economic activity on different sectors of the community. It will allow a much more refined analysis of Government

Intangible asset: EU accounts guidelines will count spending on the National Gallery as investment



Intangible asset: EU accounts guidelines will count spending on the National Gallery as investment

policy. The distributional impact of tax changes will be clearer, for instance, or the tightness of the labour market at different skill levels.

All the planned changes go some way towards making the national accounts a more useful measure of well-being in a modern economy.

However, radical critics would like to count some activities - such as crime - as a cost to the economy rather than an addition to GDP, as the Euro-standard proposes.

They would like to measure the household and voluntary economy, so far excluded from standard statistics because it is too hard to measure something for which there is no market value. As a separate exercise springing from the Beijing women's conference, official statisticians are working on measuring household production.

Environmentalists would like to include costs such as the depletion of North Sea oil or the spread of pollution. The ONS is to publish a

"satellite" set of environmental accounts next month rather than incorporating the green critique into the entire national accounts.

But national accounting is, after all, more than 60 years old. Within a few years, official statisticians will not doubt be publishing figures that do reflect important economic shifts.

When the numbers are available they will have a radical effect on the way we think about the economy. And who knows - intangible Britain might even allow us to overtake Italy again.

## Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark
US	1.5438	6-4	11-8	1000
Canada	2.109	11-3	30-37	13874
Germany	2.2476	51-44	105-102	28-24
France	7.9639	105-120	304-383	73-66
Netherlands	2.2840	50-75	105-105	103-107
Japan	168.94	75-10	225-218	105-104
ECU	1.247	15-11	45-40	134-134
Belgium	48.312	31-8	35-28	31-294
Denmark	54.043	105-121	481-388	55-65
Sweden	2.637	66-82	206-192	170-147
Italy	1.9372	7-3	20-14	158-150
Norway	10.032	120-50	310-200	157-16
Spain	168.01	21-31	68-88	126-26
Switzerland	1.248	0-6	1-9	148-138
Australia	1.5821	20-31	67-85	128-128
Hong Kong	1.1950	101-81	224-170	72-68
Malaysia	3.8487	0-0	0-0	24-80
New Zealand	2.2533	43-57	133-155	148-102
Saudi Arabia	5.7801	0-0	0-0	37-05
Singapore	2.1726	0-0	0-0	14-03

## Other Spot Rates

Country	Spot	Dollar
Argentina	15.423	0.9887
Australia	1.5821	1.0323
Brazil	12.480	0.4277
China	2.254	0.8228
Egypt	5.3103	34.049
Finland	7.714	0.4538
Greece	2.2822	0.3240
India	33.0734	34.000
Kuwait	0.4628	0.2587

Forward rates quoted high to low are at a discount; low to high are at a premium.  
\*Dollar rates quoted as reciprocals.  
For the latest foreign exchange rates call 0801 333 333.  
Cable cost 30p per minute (cheap rates) 40p other times.

## Interest Rates

UK	5.75%	Germany	5.75%	US	5.75%	Japan	5.75%
France	5.75%	Canada	5.75%	Belgium	5.75%	Denmark	5.75%
Italy	5.75%	Spain	5.75%	Sweden	5.75%	Netherlands	5.75%
Portugal	5.75%	Greece	5.75%	Finland	5.75%	South Korea	5.75%
Switzerland	5.75%	Malaysia	5.75%	Singapore	5.75%	Hong Kong	5.75%

## Bond Yields

Country	10yr	5yr	3yr	1yr
UK	7.5%	7.5%	7.5%	7.5%
Germany	5.75%	5.75%	5.75%	5.75%
France	5.75%	5.75%	5.75%	5.75%
Italy	5.75%	5.75%	5.75%	5.75%
Spain	5.75%	5.75%	5.75%	5.75%

## Money Market Rates

Overnight	1 Day	1 Month	3 Months	6 Months	1 Year
UK	5.75%	5.75%	5.75%	5.75%	5.75%
Germany	5.75%	5.75%	5.75%	5.75%	5.75%
France	5.75%	5.75%	5.75%	5.75%	5.75%
Italy	5.75%	5.75%	5.75%	5.75%	5.75%
Spain	5.75%	5.75%	5.75%	5.75%	5.75%

## Tourist Rates

Country	1000	1000	1000	1000
Australia	1000	1000	1000	1000
Canada	1000	1000	1000	1000
France	1000	1000	1000	1000
Germany	1000	1000	1000	1000
Italy	1000	1000	1000	1000

## Life Financial Futures

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Life FT-SE Index Option

Settlement price	3753.0	Settlement price	3753.0
June	3753.0	June	3753.0
July	3753.0	July	3753.0
Aug	3753.0	Aug	3753.0
Sep	3753.0	Sep	3753.0
Oct	3753.0	Oct	3753.0

## Energy

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Commodity Indices

Index	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Industrial Metals

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Precious Metals

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Agricultural

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Other Softs

Contract	Settlement price	High/Low	Settlement price	Open Interest
Long UK	105.49	105.49	105.49	877
Long US	105.49	105.49	105.49	1000
Long Japan	105.49	105.49	105.49	1000
Long Germany	105.49	105.49	105.49	1000
Long France	105.49	105.49	105.49	1000

## Latest Unit Trust Prices

Latest Unit Trust Prices															
Stock	Sell	Buy	Ytd	Stock	Sell	Buy	Ytd	Stock	Sell	Buy	Ytd	Stock	Sell	Buy	Ytd
AXA Equity & Low Unit Trust Managers AXA Equity & Low Unit Trust															



# Peslier so steady on Shake

10

## sport

# So how was it for you?

## JOHN MAJOR

CHELSEA FAN (AND PRIME MINISTER)

No 10 spokesman: "The Prime Minister was working last night, but in between meetings he managed to keep popping in to keep up with the score. He was delighted with the result."

## TONY BLAIR

LEADER OF THE OPPOSITION

A stunning victory. With this new momentum and confidence, the team should be able to go all the way.

## JOHN PEEL

RADIO 1 DJ

It was a stoutly wonderful performance. Last time we played the Dutch, a mate phoned up afterwards from Amsterdam to revel in our discomfort. Last night I thought the most subtle thing to do was not phone him. As I'm a quarter Scottish I found it grievously disappointing. The last thing anyone wanted was for them to be cast as plucky losers again, but it seems that that's what's happened.

## ANDONI GOICOECHEA

SPANISH ASSISTANT COACH

Yesterday they put their fans in their pockets. It was the performance of the tournament. I hope they find it difficult to repeat.

## RAY WILKINS

QPR MANAGER

Bring on anyone now. If we can produce that again against Spain it will frighten them to death. I was an extremely proud man. The fans and the team lit up the stadium and the players were quite wonderful. Taking apart one of the favourites – and I mean taking apart – was tremendous. The third goal was magnificent.

## DAVE SEXTON

ENGLAND UNDER-21 COACH

There's a long way to go as far as the tournament is concerned and we have to keep our feet on the ground. But I'm delighted and it was the manner of the performance which was pleasing, the movement and combination.

## TERRY BUNKER

PLYMOUTH TRAWLER SKIPPER

We want to see the Spaniards kicked into touch. We will be at sea when the match kicks off on Saturday, but I will be listening on the radio for an England win over the Spanish. I do not particularly like football, but I shall be following that match just to see them kicked to death.

## D

SINGER WITH MASSIVE ATTACK

Apparently, the future is not orange.

## JIMMY ARMFIELD

FORMER ENGLAND CAPTAIN

Now England are through we come to the hard part, but being in the last eight is already a big plus. I played the tape back of England's win in the early hours of the morning and the work-rate among the players was exceptional. It's the best since 1990 when I thought we were going to win the World Cup.

## TONY CAMACHO

SPOKESMAN AT KLM ROYAL DUTCH AIRLINES, LONDON

We have had some people over from head office, and their view is that they are here to enjoy themselves. They have been singing "Always Look on the Bright Side of Life" in English – and these are Dutch people. These guys watch BBC1 and BBC2 at home and they are all into Skinner and Baddiel.

## THE QUEEN

Buckingham Palace spokesman: "I don't know. I've got no idea what television programmes the Queen watches."

## UNILEVER

LONDON SPOKESMAN

We had our views on the game and they [the Dutch HQ] had theirs. I haven't spoken to our Rotterdam office yet this morning. I'm not sure whether to give them a ring.

## GRAHAM THORPE

ENGLAND CRICKETER

It was a fantastic night. There was a great feeling of national pride and we want to carry it on and win as well in this Test. If we are in the field on Saturday I'm sure the crowd will be letting us know if England score against Spain.

EURO 96

The English revelled in it, the Dutch were stunned by it and the Scots could hardly believe they were enjoying it. But nobody who saw England's stunning victory over the Netherlands will forget it

Teddy Sheringham salutes the Wembley crowd after scoring his first and England's second goal against the Netherlands

Photograph: David Ashdown

## THE ROYAL NETHERLANDS EMBASSY

SPOKESMAN

The majority of the people here are Dutch and the feeling is one of utter disappointment and disbelief. We all enjoyed the great show by the English. They played like they had wings. Most people here are very critical of the Dutch performance. Of course we are relieved we are going on to the second round – but with a feeling that we have been very lucky.

## KENNETH CLARKE

CHANCELLOR OF THE EXCHEQUER

This was the best performance by an England side that I've seen since 1966. The Netherlands have one of the best teams in the world and they were completely devastated by England in the second half. I'm even beginning to believe that England are capable of winning Euro 96 – something I didn't believe before this game.

## DOMINIK DIAMOND

RADIO PRESENTER AND CELTIC SUPPORTER

I was watching the England game but I stole a BT Euro 96 pager from Broadcasting House, so I'm constantly updated on all the results. When England were 4-0 up we were dancing on the tables. When Kluitert scored, it was the same feeling as when Mel Gibson got hung, drawn and quartered at the end of *Braveheart*. It may be sacrilegious, but I'll be supporting England wholeheartedly from now on.

## STEVE COPPELL

FORMER ENGLAND WINGER

I was commenting on the radio and I jumped out of my seat a little bit when the goals started to go in. I have to say I was wonderfully surprised by it all and the standard of football was fantastic.

Research: Nick Harris and Teamwork

## Venables deals nicely with the twin impostors

In the euphoric aftermath of Tuesday's quite remarkable victory Terry Venables must have been tempted to display an air of smug satisfaction.

If vilified in newspapers, having their integrity questioned and called a fraud, as Venables was by one deeply prejudiced critic, most men, I think, would have found the temptation of raising two fingers irresistible.

Leaving aside Venables' subjective misreading of the scandals that broke around England's squad before a ball was kicked in Euro 96 and the questionable decision to prepare with matches in China and Hong Kong, he was no less of a coach before securing a place in the quarter-finals.

Of all the appointments in sport few carry such an overwhelming sense of national responsibility as being coach of England, and as Venables has recently been called to account by avowed patriots, his predicament is precisely that identified by Alf Ramsey when coming under heavy fire after failing to qualify England for the 1974 World Cup finals. Managers get too much credit and therefore too much blame, the hero of 1966 said shortly before the Football Association fired him.

Stupidly, taking no account of the fact that Venables will hand over to Glenn Hoddle once England's fate is settled, one critic called for his dismissal after a poor performance in the opening group game against Switzerland.

Allowing for the fact that some coaches bring trouble upon themselves by going along enthusiastically with the idea that players are nothing without them, this may give you some idea of what men in charge of national teams are up against.

As with England's defeat of the Netherlands, one match can change everything. As recently as the first half against Scotland last Saturday people could be heard expressing doubts about Venables. How can the best coach in England fail to bring about improvement was, more or less, the essence of their appraisal. Some felt that *False Messiah*, the title of a vituperative book about Venables to be appropriate.

Consequently, Venables was in a position late on Tuesday to score off his most seething antagonists. It must have taken a great deal not to take advantage of a situation that resulted in quite shameless hypocrisy in some quarters, but he backed off from the opportunity. A great team effort but don't let's get carried away with the tone of his response.

The point is that Venables sought the same from his players, worked on things that proved successful against the Netherlands when preparing for the games against Switzerland and Scotland. The im-



COMMENTARY  
KEN JONES

provement resulted probably from time spent together and the benefit of competitive experience after two years of friendly fixtures.

Expectations raised by England's superiority will not take into account factional disturbances in the Dutch camp and a general lack of commitment. It was pretty evident from their match against Switzerland at Villa Park last week that the Netherlands are not what they were cracked up to be, nowhere near the force they were in the Seventies and when winning the 1988 European Championship, but it did not come into Tuesday's excited reckoning.

Equally foolish is the suddenly rampant idea that England are a major force in the game. "Discretion is not what I expect from the press and television, nor from our supporters," Helmut Schön said when preparing West Germany for the 1974 World Cup finals. His successors, including the national hero, Franz Beckenbauer, came under even greater pressure. Bert Vogts has Germany looking good in this championship but unless he wins it he will be considered a failure.

The flags were flying high around England yesterday but what will the reaction be if they fail to get past Spain on Saturday? Certainly, Venables would not get much sympathy.

On a June afternoon in 1984 I watched Bobby Robson trudge miserably to the dressing-rooms at Wembley, withered by scorn after England had been outplayed by the Soviet Union, their third defeat in four matches. He would go on to come within a penalty shoot-out of reaching the World Cup final six years later and win the championships of the Netherlands and Portugal.

This is not to make a case for Venables but simply to enter a plea for perspective. The team Venables sent out on Tuesday showed no changes from his first selection. There have been one or two switches in deployment but no radical change of policy. That it exceeded all expectations was due to individual advances in form and confidence.

These are things the national coach cannot greatly influence but for which he is held ultimately responsible. It is like blaming the composer when a pianist hits a bum note.

Danes are dismissed despite w

Amor has two reasons for celebration

## euro-spy

EDITED BY RUPERT METCALF

### A century full of class and quality



The presence of four high-quality teams in Group B made it certain that we would be bidding farewell to some very special players when that section concluded its fixtures. One such player is George Hagi.

Thirteen years ago a crowd of under 9,000 at Oslo's Ullevaal stadium saw the start of an outstanding international career when Hagi made his debut in mid-field for Romania at the age of 18. Cap No 100 arrived at Elland Road on Tuesday, where Romania's 2-1 loss to Spain, their third defeat of Euro 96, brought their tournament to an end.

Although he has not said as much, it might also be the end of 31-year-old Hagi's international career. His club future is uncertain – he had a disappointing season with Barcelona, where his contract has expired – and it is hard to imag-



MAN ON THE SPOT  
George Hagi  
Romania

ine him still being a potent force at the 1998 World Cup. Even in defeat against the Spaniards, there were flashes of the talents which made Hagi one of the respected playmakers in Europe during the 1990s. Romania's first and last goal of Euro 96, scored with panache by Florin Raducioiu, was set up by a precise through ball from Hagi. It was, though, merely a consolation.

Hagi remains the most expensive Romanian player of all time, having cost Real Madrid almost £3m when they signed him from Steaua Bucharest in June 1990 after the World Cup in Italy. After two years in Madrid he moved on to Brescia, in Italy. He has rarely fulfilled his potential with his clubs in western Europe, however, and it is his displays at USA '94, when Romania reached the last four, that will linger longest in the memory.

Rupert Metcalf

### Double dose of despair for Dutch

After Tuesday's 4-1 defeat by England, the Dutch team were labelled "the laughing stock of Euro 96" by the Netherlands' best-selling newspaper, *De Telegraaf*, yesterday.

"Shocking, bewildering, disgraceful and scandalous," *De Telegraaf* continued, adding: "Never has a team appeared so keen to be dumped out of a tournament. The Dutch team is the joke of Euro 96."

Dutch correspondents dug deep into their record books to find that the defeat was the Netherlands' heaviest for 21 years. "Dutch dull guests at English soccer party," said the broadsheet *De Volkskrant*, recalling the last time, in 1975, that the Dutch lost by three goals, in Poland.

A similar approach came from *Algemeen Dagblad*: "The Dutch were humiliated by England... and should be ashamed." Only by virtue of scoring more goals than Scotland did the Netherlands manage to squeeze into the quarter-finals, where they will meet France on Saturday.

FOOTBALL: THE UNIVERSAL LANGUAGE  
"Vy uz nebudete zpírat!"... which is Czech for: "You're not singing any more!"

### FA denies claims of England drug abuse

RUPERT METCALF AND ALAN NIXON

The Football Association yesterday described as "spurious" claims that England's Euro 96 players have used an illegal sleeping pill. It was reported that the England players were using a herbal-based sleeping tablet named Melatonin, a drug claimed to be on the Medicine Control Agency's banned list.

Steve Double, a spokesman for the FA, said that the report was inaccurate, misleading and entirely untrue. "We did use a substance called Melatonin during the trip to the Far East last month," he said, "but that was because it is an anti-jetlag pill, something taken by all the British athletes and Continental footballers when they go on long-haul flights."

"It is purely used to combat jetlag, although I understand it's used as an anti-ageing drug in the US," Double added, "but it isn't a sleeping tablet, and nobody is using it now."

The FA and the police are also investigating the theft of about 1,000 Euro 96 Anfield quarter-final tickets, worth about £50,000, which were stolen from a tour operator's car in Birmingham on Tuesday.

"The tickets have already been cancelled and will not be reissued," Chief Inspector David Wilson, of Merseyside Police, said. "Any fans found with these tickets will not be allowed into the ground and could face police action."

Sunderland's ambitious bid to

sign the Bulgarian Euro 96 midfielder, Yordan Lechkov, may end in failure. The Hamburg player now seems likely to move to Marseille for £1.5m on wages that the Roker Park side will be unable to match. The newly promoted French club are also keen on Everton's Swedish winger Anders Limpar, also available at £1.5m, and Celtic's Scotland full-back Tom Boyd, who is out of contract.

Another Swede, Leeds United's Jonas Brodin, is the subject of a £3.5m bid from the Italian Serie A club Sampdoria, who have many millions of lire to spend following the £9m sale of Enrico Chiesa to Parma. Brodin's former club, Brodin has had an unhappy time at Leeds and the club will cut their losses on a move originally estimated at a record £4.75m.

Gary Speed, the Leeds and Wales midfielder, is expected to complete his £3.5m move to Everton tomorrow, despite a late approach from Newcastle. Premiership newcomers Leicester City hope to sign Millwall's England Under-21 international left-back, Ben Thatcher, in a £1.5m deal this week.

The Italian Serie A side Napoli made a complaint to Fifa, world football's governing body, yesterday about the conduct of Croatia's Euro 96 forward, Goran Vlahovic. He allegedly signed a contract in March to move from Padova to Napoli next season, but then apparently signed another contract with the Spanish club, Valencia, earlier this month.

In the end it all turned on the involuntary intervention of an English elbow and a Dutchman's deft right foot. Yet when Craig Brown analyses the anatomy of Scotland's exit he would be advised to resist the feeling that fortune did not favour his brave hearts.

In the aftermath of his team's 1-0 victory over Switzerland at Villa Park, which left the Netherlands ahead by virtue of scoring more goals, the Scotland manager referred more than once to their lack of luck. Brown was still thinking, no doubt, of the moment at Wembley when David Seaman stopped the Gary McAllister penalty which, in all probability, would have reduced Patrick Kluitert's place-saver to the status of a consolation goal.

McAllister's miss was, in the quarter-final analysis, symptomatic of Scotland's deep-rooted problem: a lack of conviction when confronted by the main chance. Brown said before the finals that Scotland needed "a wee break" in front of goal, and with hindsight they got it six minutes into their opening fixture. The referee's failure to spot John Collins' handling offence against the Dutch could hardly have been more fortuitous; likewise England's unexpected goal got on Tuesday.

The Scots, alas, were unable to keep their half of the bargain. Ally McCoist's fulminating finish was a cathartic moment, just reward for a first-half display of extraordinary pace, passion and

### Phil Shaw on the lessons the unlucky Scots must learn

precision. Sadly, it should have brought up his hat-trick, and misfortune could not be blamed for McCoist's wastefulness with two infinitely easier chances in the first seven minutes.

So while Scotland were by no means deluged, it was home-ward to think again yesterday. The inquest should be informed by reflection rather than re-priming; and by a resolve to carry the "club" spirit they brought to Euro 96 forward into a World Cup campaign that starts in Austria in August.

Brown's stock soared, both at home and in Europe, during Scotland's 10-day cameo. Having been derided as an ex-schoolteacher – strange the values of a society and a media which belittle education and culture – he proved himself a shrewd tactician, a powerful motivator and, in Bobby Gould's phrase, a "master of man management" with players and press alike.

Ruud Gullit, apparently realising Brown's existence for the first time, led the lavish praise of his ability to maximise limited potential and resources. In terms of the latter, Andy Gorm demonstrated that he is a world-class goalkeeper, making a staggering save in each of Scotland's matches. Two clean sheets, to add to the seven

amassed in qualifying, also rendered the non-selection of Richard Gough a non-issue.

In midfield, McAllister was a colossus. After Wembley he reckoned he owed the team the game of his life. He owed nobody anything. The strain of an arduous season, in which he played 64 high-pressure games, caught up with him when the applause of the Swiss fans brought him to tears. But the Leeds captain showed he has the enduring class and strength to grace the *Mondiale* in 1998.

Collins and Stuart McCall both enhanced reputations largely built north of the wall, and it was "only" in the middle-to-front area that Scotland suffered by comparison with their Group A rivals. The presence of Duncan Ferguson, a giant target man with a tanna ba' player's touch, would have been an enormous advantage. If the Scots were unlucky, it was in the Everton striker's unavailability.

Ferguson must come into the reckoning next season, when Brown's task will be to freshen up a squad with an average age of nearly 30 (and whose aggregate age was exactly 100 years more than the Dutch). Stalwarts such as Stewart McKinnon, Gordon Durie and McCoist are likely to be more marginal, while the integration of players like Arsenal's Scott Marshall and Celtic's Jackie McNamara would help Scotland accentuate the positive aspects of their latest heroic "failure".

صكرا من الالاحل



they going to match that? but they were even better. It does help, it enables people to give that little bit more. But you have to keep your heads and do your job as well."

Venables then went to conduct an interview in fluent Spanish. Having given — as Giusi Hidding admitted — "a lesson" to one of his mentor countries he must now overturn another. "They have not lost since the World Cup and I have great respect for them and their manager," El R said. Still saying the right things whatever the language.

**European Championship**  
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